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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JANUARY 2, 1990

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports


San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

January 2, 1990

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Minutes
of the
Airports Commission Meeting

January 2, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Donald R. Stephens |
| | Sharon B. Duvall |
| | Patrick A. Murphy |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 5, 1989 were adopted by order of the Commission President.

No. 90-0001

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following item was adopted unanimously. A court reporter's transcript for Item No. 1 is available.

1. Resolution Establishing a 7% Off-Airport Rental Car Gross Receipts Fee, with an Exemption on the First \$1-Million in Annual Revenue Generated from the Airport

No. 90-0002

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

2. \$15,000 Supplemental Appropriation Request for the FAA Annual MBE/WBE Conference

No. 90-0003 To cover the costs relating to SFIA serving as the host for the annual MBE/WBE Conference in June, 1990.

3. USAir, Inc. - Modification No. 4: Resolution Modifying Lease and Use Agreement

No. 90-0004 Resolution modifying USAir, Inc., Lease and Use Agreement No. 82-0120 reconciling as-built space in the South Terminal Building Boarding Area 'A'.

4. Resolution Ratifying Personnel Actions

No. 90-0005 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. NEW BUSINESS:

Commissioner Stephens asked for a status report on the limousine lease. He thought that Associated was past the cure period.

Mr. Garibaldi explained that when the Commission decided to terminate the lease because of their default, we then had to give them another three (3) day notice. Associated then cured within the three (3) day period. They gave us a bond and paid up their arrearage.

Commissioner Duvall asked if we were required to do that.

Mr. Garibaldi responded that we are required to do that under the basic landlord/tenant law of the State. They have a lease and we must give them that three (3) day period.

Commissioner Stephens asked if they were able to satisfy that by providing a letter of credit that had such a short term expiration date on it.

Mr. Garibaldi responded that they replaced it with one that goes to the end of their lease. He said that it has all been taken care of.

* * *

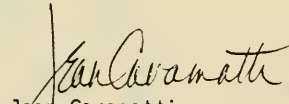
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:32 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

FEBRUARY 20, 1990

ART AGNOS, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

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Director of Airports

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of the Minutes
Airports Commission

February 20, 1990

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| | 2. | Approval of the Fiscal Year 1990/91 Budget | 90-0025 | 4 |
| | 3. | Award of Agreement: Agreement for Operator-Assisted Long Distance Service from Pacific Bell Public Pay Telephones | 90-0026 | 4 |
| | 4. | Award of Professional Services Contract: Environmental Science Associates, Inc. | 90-0027 | 4-5 |
| | 5. | Authorization to Conduct Pre-Bid Conference: Limousine Service Leases | 90-0028 | 5-7 |
| | 6. | Authorization to Conduct Pre-Bid Conference: Lease of Crab and Seafood Kiosks | 90-0029 | 7 |
| | 7. | Reimbursement to Qantas | 90-0030 | 7-8 |
| | 8. | Reimbursement - Canadian Airlines International, Ltd. | 90-0031 | 8-9 |
| | 9. | Sale of Former Delta Airlines' Improvements in the North Terminal to American Airlines | 90-0032 | 9 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 10. | Retirement Resolution: Ben Gonzales | 90-0033 | 9 |

| | | | |
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| 11. | Resolution Approving Execution of Hold Harmless Agreement with City of San Mateo for Airport Police Motorcycle Training | 90-0034 | 9 |
| 12. | Approval of Claims Settlement | 90-0035 | 9 |
| 13. | Declaration of Emergency - Contract No. 2283: Electrical Cable Failure (Cable 12NANB-1) | 90-0036 | 10 |

G. NEW BUSINESS:

H. CORRESPONDENCE:

J. ADJOURNMENT TO GO INTO CLOSED
SESSION:

Minutes
of the
Airports Commission Meeting

February 20, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Donald R. Stephens |
| | Sharon B. Duvall |
| | Patrick A. Murphy |

* * *

C. DIRECTOR'S REPORT:

1. Report on Valet Parking Marketing Plan

Mr. Lou Turpen, Airport Director, explained Valet Parking patronage continues to decline. In an effort to reverse that trend staff is recommending a three-point program. This plan includes distributing the Wall Street Journal to all Valet patrons, offering \$5.00 discount good at food and beverage facilities on Airport, and a seventh day of free parking along the lines of a frequent parker program. He believed that these actions will help to reverse the trend in declining patronage.

Mr. Turpen said that Valet continues to be a service and is an important part of what we do. We do not want to see it go away. Staff will return to the Commission with a more formal proposal at a later date.

Commissioner Goosby reminded Mr. Turpen that Valet Parking will not be subsidized.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein said that he asked for information on how the small concessions at the Airport were doing but the information he received was insufficient. He said that he would bring it up at the next meeting when all Commissioners would be present.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were adopted unanimously.

2. Approval of the Fiscal Year 1990/91 Budget

| | |
|-------------|---|
| No. 90-0025 | Resolution approving the proposed Fiscal Year 1990/91 budget in the amount of \$184,614,729.00. |
|-------------|---|

Mr. Turpen reminded the Commission that the only objection was with regard to the \$2.8-million security checkpoint program in the International Terminal. The airlines object to the program because the checkpoints are an airline responsibility under existing FAA guidelines. The FAA has indicated to us that there may be an exemption granted to San Francisco and SFO may be used as a test for an integrated security program.

Mr. Turpen said that the \$2.8-million has been left in the budget. He recommended approval of the budget so that it might proceed through the remainder of the approval process.

3. Award of Agreement:
Agreement for Operator-Assisted Long Distance Service from Pacific Bell Public Pay Telephone

| | |
|-------------|--|
| No. 90-0026 | Resolution awarding the agreement for Operator-Assisted Long Distance Service from Pacific Bell Public Pay Telephones to AT&T. |
|-------------|--|

Mr. Turpen said that this is consistent with the Commission's earlier instructions to staff to conduct an RFP for public telephone service. Staff is recommending that AT&T be awarded the contract for this service. AT&T is impressive, particularly in the international marketplace. He said that the higher proposed concession fee is also a determining factor. Staff recommends that a cents per passenger commission fee be used as the method of billing. The Airport will receive about \$1.3-million in revenues for FY 1990 from this activity.

Commissioner Goosby asked if the suit was still on-going.

Mr. Don Garibaldi, Airports General Counsel, responded that the suit has been concluded in favor of the Airport. He also said that the time has run for filing notice of an appeal.

4. Award of Professional Services Contract:
Environmental Science Associates, Inc.

| | |
|-------------|--|
| No. 90-0027 | Award of Professional Services Contract to Environmental Science Associates, Inc. for technical services in the preparation of an Environmental Impact Report for the Airport Master Plan. Consultant will provide specialized expertise as required by City's Office of Environmental Review to supplement work already done. |
|-------------|--|

Mr. Turpen explained that this is in conjunction with the master plan. He said that there is a need for a particular expertise in the environmental process, especially with respect to the noise concerns that have surfaced in the preliminary phases of this contract. Some preliminary work was done by James Jefferson and he has concluded his portion of the work. This is the next level of the process. Staff recommends award of this contract to Environmental Sciences Associates to proceed with the development of the environmental and master plans.

Mr. Turpen said that this firm was selected by a broad-based panel which included City Planning, the Airport, James Jefferson and the Human Rights Commission.

Commissioner Goosby asked if they would look at the noise question and at the same time prepare a feasibility study.

Mr. Turpen told Commissioner Goosby that he was correct. He said that the key question is whether or not there is a noise impact that will result from the current master plan which the Commission has approved in draft form. He said that there is a second far more extensive study which involves changing the runways. If that occurs there will be a whole different set of parameters to be considered. Their efforts will focus on the existing system and the question of whether or not the projects being proposed will offer the possibility of increased noise.

Commissioner Goosby asked if these EIRs will have to be submitted to any other agencies.

Mr. Garibaldi responded that the EIRs must go to City Planning.

Commissioner Goosby said that this is expanding into a larger study than first anticipated. He asked if we were clear in what is required of City agencies.

Mr. Turpen responded that the Airport retained an environmental consultant at the very beginning of the process. That was before we knew exactly what would occur. He said that now that we know, the scope of the project is significant when we're talking about a new International Terminal. Because the scope has increased, so has the scope of the environmental review. Therefore, this additional effort is appropriate.

Commissioner Goosby asked if this was an estimate of their maximum.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that this is not a maximum. This is a time and materials contract.

5. Authorization to Conduct Pre-Bid Conference:
Limousine Service Leases

No. 90-0028

Recommendation to adopt resolution authorizing staff to conduct pre-bid conference for two limousine service leases.

Mr. Turpen said that the existing limousine lease expires in early 1991 and staff is requesting permission to conduct a pre-bid conference for this service.

Commissioner Goosby said that one item for discussion at the pre-bid should be whether or not a limousine service is necessary. He said that we were without such a service for many years.

Mr. Turpen said that there were some informal agreements back through 1983 or possibly earlier.

Commissioner Goosby said that the agreements must have been very informal because he did not recall there being a specific area for just one firm.

Mr. Turpen said that other firms come to the Airport on a regular basis. There is a whole procedure involved. He said that when the Airport got into this we found out that there were something like 46 or 56 firms that had pre-arrangements at the Airport so a system was set up. He said that staff would be happy to put it on the table.

Commissioner Goosby said that this company complains all the time and with all of the problems that we've had with them he wondered if it was worth the hassle.

Commissioner Stephens asked how it worked. He asked if any other limousine companies will bid against Associated.

Mr. Turpen responded that it is very possible that other companies will bid as well. He said that one of the suggestions is that we go back to the system used in the late 1970s where traffic was split. He said that we had a firm that worked North to San Francisco and a firm that worked South down the Peninsula. Staff is looking at that same arrangement now.

Commissioner Stephens said that this is really just a fancy taxicab service.

Mr. Turpen agreed.

Commissioner Stephens asked if this was pre-arranged.

Mr. Turpen responded that in many cases it is. He said that there are two basic limousine services at the Airport. Those persons under contract with the Airports Commission and a second group which we can lump into independent operators who work on an on-demand basis. He explained that the limousine is parked in the garage, the driver meets the passenger and then returns to the garage to get the car and pick up the passenger at the curb.

Commissioner Stephens asked what the advantage is for Associated.

Mr. Turpen responded that they have spots on the roadway and in the courtyard as well as desks on the lower level baggage claim area so there is potential for walk-up patronage. He did not know what the percentage was for walk-up business.

Commissioner Stephens asked how LAX handled their service.

Mr. Turpen responded that he did not know but would find out. He said that the whole problem with this issue has been the \$400,000 plus a year that was bid. There is a lot of money on the table and it takes a lot of business to make up that kind of money. He felt that that has been at the route of the problem throughout the entire term of the lease. He hoped that by splitting it we will receive responsible bids that will let the company function profitably.

Commissioner Bernstein asked if we had been involved in a lawsuit with Associated at one time.

Mr. Garibaldi responded that they have a lawsuit pending.

Commissioner Bernstein asked if it would be possible to settle the whole thing.

Mr. Garibaldi responded that the lawsuit must be dealt with separately from bidding the lease.

6. Authorization to Conduct Pre-Bid Conference:
Lease of Crab and Seafood Kiosks

| | |
|-------------|--|
| No. 90-0029 | Resolution authorizing Director to hold a pre-bid conference for the lease of Crab and Seafood Kiosks in the North Terminal. |
|-------------|--|

7. Reimbursement to Qantas

| | |
|-------------|---|
| No. 90-0030 | Resolution approving \$596,886.00 current reimbursement and \$462,623 possible future reimbursement to Qantas for relocating flight club and improvements to the fourth floor of the International Terminal at the Airport's request. |
|-------------|---|

Mr. Turpen said that the Airport has a need for an in-transit lounge. SFO is getting flights coming from one foreign location and departing for another foreign location with some ground time involved. We need a sterile area to place those transiting passengers. These passengers are really not in the country. He said that when the International Terminal was built SFO was really a terminus Airport and had none of this activity. The International Terminal does not have an appropriation location for this activity. Qantas has agreed to move its VIP lounge, located in the boarding area, to the main portion of the International Terminal so that the Airport can turn that space into an in-transit lounge.

Mr. Turpen explained that UTA comes from Tahiti and goes on to Paris. Very often passengers on that flight are flying through to Paris and they are on the ground for a couple of hours. These passengers are not processed through customs and are currently positioned in the lower hallway which is sealed off. He said that it is an ineffective way to handle passengers and not very hospitable. This will provide us with the type of facility that will not only deal these passengers but give us the latitude to do other things as well.

Commissioner Goosby asked what other uses Mr. Turpen was considering.

Mr. Turpen said that the in-transit lounge could probably be used to handle VIPs. He said that the space is approximately 4,000 square feet and makes a very nice lounge.

Commissioner Bernstein said that this will cost the Airport \$1-million.

Mr. Peter Nardoza, Assistant Deputy Director for Business and Finance, responded that the \$462,000 figure is money we would pay to Qantas if we asked them to move again. The move from the boarding area to the 4th floor will cost approximately \$500,000 in reconstruction costs. If at some point in the future the Airport asks Qantas to move again we will pay them up to \$462,000.

Mr. Turpen explained that the \$462,000 is a pre-determined rental credit as a buy-out for their improvements. He said that if the Airport does not ask Qantas to move a second time they will not receive that money.

Commissioner Goosby hoped staff would be creative in using the room. He asked how often we have in-transit passengers.

Mr. Turpen responded that it is probably four or five times a week on UTA and Air France, with as much as 60 to 100 passengers per trip. He said that that number will increase with some of the newer aircraft.

Mr. Turpen said that Jason Yuen and John Costas did a good job of acutally trying to come up with an initial plan but the numbers have grown. He said that originally we were talking about 10 to 15 people so it wasn't worth the expenditure. Those numbers have grown and they will continue to grow.

Commissioner Bernstein asked what the cost will be per square foot.

Mr. Yuen responded it will be about \$100 per square foot, including furnishings.

Mr. Dennis Bouey, Deputy Director for Facilities Operations and Maintenance, added that the space is 4,030 square feet and it also requires structural work to handle the new load and fireproofing. In addition to the work that Qantas is doing in their area they have also agreed to build rooms for the Airport on this floor, including restrooms.

Commissioner Bernstein asked about the other \$400,000.

Mr. Turpen said that before the other \$400,000 is spent staff will return to the Commission.

Mr. Bouey said that it is a straight line depreciation over 10 years.

Commissioner Stephens asked if we have any plans to ask Qantas to move again.

Mr. Turpen responded that we do not. He said that everytime we try to figure out the cost after the fact we get into trouble. The best example of that situation is the downtown Airporter terminal. We are trying to avoid that problem by specifying up front the costs and the amortization schedule and establishing buy-out provisions on all of our property. It's a set sum that everyone agrees to as opposed to debating the issue for months and years. He said that he still isn't sure what the downtown Airporter terminal cost and that has been going on for nine years.

8. Reimbursement - Canadian Airlines International, Ltd.

No. 90-0031

Reimbursement of \$160,000.00 to
Canadian Airlines International for

expenditures incurred in the Airport-requested relocation from the International to the North Terminal.

Mr. Turpen explained that Canadian Airlines does not require customs clearance in the U.S. as their passengers are pre-cleared at the point of origin. This allows us to move them into a domestic terminal. Canadian operates during high-impact hours and relocating them will free up ticket counter space needed to accommodate airlines desiring to come to San Francisco and new entrants into the international market. At the same time it will open up gate availability for international carriers requiring customs clearance. Staff has been working with Canadian and American Airlines to move Canadian into the North Terminal pending the development and inauguration of the new International facility. At that time they will move back into the International Terminal.

9. Sale of Former Delta Airlines' Improvements in the North Terminal to American Airlines

No. 90-0032

Mr. Turpen said that when Delta Airlines moved out of the North Terminal to Boarding Area 'C' the Airport took over the Delta property pending its becoming American's property. This simply concludes that arrangement. Delta has already been paid so the unamortized cost will return to the Airport.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

10. Retirement Resolution:
Ben Gonzalez

No. 90-0033

11. Resolution Approving Execution of Hold Harmless Agreement with City of San Mateo for Airport Police Motorcycle Training

No. 90-0034

12. Approval of Claims Settlement

No. 90-0035

Resolution approving the settlement of claims not exceeding \$5,000.00 for the period July 1989 to December 1989.

Total Claims: \$22,518.54

13. Declaration of Emergency - Contract No. 2283:
Electrical Cable Failure (Cable 12NANB-1)

No. 90-0036

Resolution ratifying the action of the President of the Commission in declaring an emergency and directing the Director of Airports to effect the necessary repairs.

* * *

G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

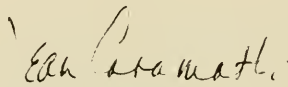
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

MARCH 20, 1990

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Airports Commission

March 20, 1990

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| E. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
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| | | - Establish terms and interest rates of Series E Bonds pursuant to results of competitive bid (9th supplemental amendments to master bond resolution); and, | 90-0038 | |
| | | - Award sale of Series E Bonds to lowest bidder | 90-0039 | 7 |
| | 2. | Modification to Bond Trustee Contract | 90-0040 | 4 |
| | 3. | Authorization to Conduct Pre-Bid: Airport Public Parking Operating Agreement | 90-0041 | 4-5 |
| | 4. | Authorization to Re-Bid Pacific Bazaar Lease | 90-0042 | 5 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 5. | Commemoration Resolution: Joseph O. Pitts | 90-0043 | 6 |
| | 6. | Commemoration Resolution: Dr. Maurice A. Garbell | 90-0044 | 6 |

| | | | |
|-----|--|---------|---|
| 7. | Resolution Approving Services by Pan American World Airways to Ground Services, Inc. | 90-0045 | 6 |
| 8. | Award of Contract No. 2271: Runway 26's Pavement Grooving | 90-0046 | 6 |
| 9. | Bid Call - Contract No. 1864: Road R-6 Reconstruction and Asphalt Concrete Overlay | 90-0047 | 6 |
| 10. | Resolution Ratifying Personnel Actions | 90-0048 | 6 |
| G. | PUBLIC HEARING: | | |
| 11. | Hearing on Airport Valet Parking Marketing Program | | 7 |
| H. | NEW BUSINESS: | | 7 |
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| J. | CLOSED SESSION: | | 3 |
| K. | ADJOURNMENT | | 8 |

Minutes
of the
Airports Commission Meeting

March 20, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall
Patrick A. Murphy

Commissioners Bernstein and Goosby
left the meeting 10:30 AM during a
recess.

* * *

C. CLOSED SESSION:

The meeting recessed at 9:02 AM to go into closed session and reconvened at 10:10 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of February 6 and February 20, 1990 were adopted by order of the Commission President.

No. 90-0037

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item No. 1 was moved to the end of the calendar. Items no. 2 through 4 were adopted unanimously.

2. Modification to Bond Trustee Contract

| | |
|-------------|--|
| No. 90-0040 | Resolution approving modification to Bond Trustee contract with Bank of America to include the Series E bonds. |
|-------------|--|

3. Authorization to Conduct Pre-Bid Conference:
Airport Public Parking Operating Agreement

| | |
|------------|---|
| No. 90-000 | Resolution approving specifications for Airport Public Parking Operating Agreement and authorization to conduct pre-bid conference. |
|------------|---|

Commissioner Stephens asked who would comprise the advisory committee.

Mr. Peter Nardoza, Assistant Deputy Director of Business and Finance, responded that the advisory committee would consist of a member of Airport Property Management, Airport Accounting, Airport Financial, Landside Operations and the new Parking and Transportation Authority.

Commissioner Stephens asked how it would work.

Mr. Turpen responded that the Committee will review specifications and pre-qualify firms. Staff will return to the Commission with a list of five or six firms that will be allowed to bid.

Commissioner Goosby asked if the successful bidder will be responsible for paying for Airport-required insurance.

Mr. Turpen responded that the successful bidder will not have to pay insurance costs. This is like a management contract. The Airport will collect the money and pay the bills. The company will submit a request for reimbursement for time and salaries. That request will be audited by the Airport.

Commissioner Goosby asked if there was a limitation on the number of employees the company can hire.

Mr. Turpen said that there is a limitation. The Airport controls the number of hires and the times the lanes are open. The company negotiates all union contracts, but the Airport approves them.

Commissioner Goosby asked if the company's legal fees will be built into the cost.

Mr. Turpen responded that the company will use the City Attorney.

Mr. Don Garibaldi, Airports General Counsel, added that the Airport will cover attorney costs for management-related attorney fees.

Mr. Turpen added that Landside Operations has an employee who is responsible for this contract.

Mr. Turpen said that this is simply for the operation of the garage and includes tellers, maintenance people, etc.

Commissioner Goosby wondered how the operator could pay all of the expenses and make money. He hoped that the Airport looked closely at the bills that are submitted.

Mr. Turpen said that operational and financial audits are prepared.

Commissioner Goosby said that all of the bidders submitted low bids. He wondered how a company can submit a bare-bones bid and still make money.

Mr. Turpen responded that from a concept standpoint what staff has been doing appears to have worked very well. Last year 4,800,000 vehicles left the garage. We had a total of 15 operational complaints, 26 property claims and approximately 2,000 fee collection complaints, i.e. lost ticket refunds, insufficient funds, etc. He said that it has truly been a positive effort operationally for the Airport. We gross about \$33-million and it costs us about \$8.6-million to operate. We are netting about \$26-million to \$28-million from the garage per year.

Mr. Turpen said that there are a series of financial and operational audits are performed, both announced and unannounced. He said that they have always turned out properly.

Commissioner Duvall asked if the Airport Parking Management group operated other businesses.

Mr. Turpen responded that they operate other garages and Candlestick Park.

Commissioner Goosby said that Airport Parking Management cannot operate another facility if it is within 5-miles of the Airport. He asked how far Candlestick Park was from the Airport.

Mr. Garibaldi added that Airport Parking Management runs a good operation. Their predecessor had a lot of problems.

Mr. Garibaldi said that all of the firms came in close to that figure.

Commissioner Bernstein asked if the Airport had a toy store.

Mr. Nardoza responded that we do not have a toy store although many shops do offer toys.

Commissioner Bernstein suggested staff look into the possibility of offering a toy store. He also suggested that staff look into establishing an art shop in conjunction with the museums.

Commissioner Duvall liked both ideas and suggested staff look at other airports to see what they have done.

4. Authorization to Re-bid Pacific Bazaar Lease

Mr. Turpen said that ABC Cigar tendered a bid of \$418,000 for this concession. ABC Cigar has indicated that they cannot proceed. Staff asks the Commission's concurrence in authorizing a re-bid and prohibiting ABC Cigar from bidding on the subsequent opportunity.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

5. Commemoration Resolution for Joseph O. Pitts

No. 90-0043 Recommend adoption of proposed
Commemoration Resolution for Joseph O.
Pitts, Assistant Traffic Control
Manager at San Francisco International
Airport.

6. Commemoration Resolution

No. 90-0044 Commemoration Resolution for Dr.
Maurice A. Garbell

7. Resolution Approving Sublease by Pan American World Airways to Ground Services, Inc.

No. 90-0045 Resolution approving the sublease of
office space in the administration
building located on Plot IC, by Pan
American to Ground Services, Inc.

8. Award of Contract No. 2271:
Runway 28's Pavement Grooving

No. 90-0046 Resolution awarding Contract No. 2271
to Penhall Co. in the amount of
\$191,216.00.

9. Bid Call - Contract No. 1864:
Road R-6 Reconstruction and Asphalt Concrete Overlay

No. 90-0047 Resolution approving the scope, budget
and schedule for Contract No. 1864,
and authorizing the Director call for
bids and to award this contract to the
lowest, qualified and responsive
bidder.

10. Resolution Ratifying Personnel Actions

No. 90-0048 Resolution, in accordance with the
requirements of San Francisco City
Charter Section 3.501, ratifying and
approving certain personnel actions
taken by the Director of Airports.

* * *

G. PUBLIC HEARING:

The Public Hearing was convened at 10:22 AM and concluded at 10:24 AM, there being no requests to speak.

11. Hearing on Airport Valet Parking Marketing Program

Mr. Turpen said that staff will return at the next meeting with the appropriate resolution.

* * *

The Commission recessed the meeting at 10:24 AM and reconvened at 11:00 AM when a vote was taken on item no. 1. Commissioners Bernstein and Goosby were excused during the recess and did not return.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

1. Awarding the Sale of the Series E Bonds

No. 90-0036 (1) Establishing terms and interest rates of the Series E Bonds pursuant to the results of the competitive bid (ninth supplemental amendment to master bond resolution); and,

No. 90-0037 (2) Awarding sale of the Series E Bonds to the lowest bidder.

Ms. Angela Gittens, Deputy Director, Business and Finance, told the Commission that there were six bidders for the Series E bonds. The bid was confirmed and the best bidder was Dean Witter Reynolds at a true interest cost of 7.496331%.

* * *

H. NEW BUSINESS:

There was no discussion by the Commission.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:02 AM.


Jean Caramatti
Commission Secretary

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MINUTES

April 17, 1990

and

April 19, 1990
(Continued Meeting)

ART AGNOS, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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April 17, 1990
Continued to April 19, 1990

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| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 3 |
| E. | | PENDING LEGISLATION: | | |
| | 1. | State Legislation: AB3147, AB4135, SB2405, SB2738, SB2256 | 90-0064 | 4 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Denial of Advertising on Self- Service Luggage Carts | | 4 |
| | 3. | Authorization to Conduct a Pre-Bid Conference for Operation of Automobile Rental Services | | 4 |
| | 4. | Authorization to Conduct a Pre- Bid Conference for South Terminal Cigarette Vending Lease | 90-0065- | 5 |
| | 5. | Termination of South Terminal Cigarette Vending Lease No. 88-0208 and Permit Authorization to Establish Interim South Terminal Cigarette Vending Sales | | |
| | | A) Termination of South Terminal Cigarette Vending Lease No. 88-0208 - C.V. Ventures, Inc. as Lessee | 90-0066 | |
| | | B) Permit Authorization to Kyo M. Ahn Establishing Interim South Terminal Cigarette Vending Sales Pending Re-Bid of South Terminal Cigarette Vending Lease | 90-0067 | 5 |

| | | | |
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| 6. | Anderson Pacific Engineering Construction Inc.'s Request for the Substitution of Electrical Services Company for Albert Electric Company, Inc. as Electrical Subcontractor on Airport Contract No. 1011B.1 | | 5 |
| G. | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| 7. | Award of Contract No. 1876: North Terminal Holding Areas and Boarding Area 'E' Roofing | 90-0068 | 5-6 |
| 8. | Award of Contract No. 2245: International Terminal Cart Road Underpass - Draining Pump Station Improvement | 90-0069 | 6 |
| 9. | Declaration of Emergency - Contract No. 2301: Emergency Repair of 20" Water Main, North Oxidation Pond | 90-0070 | 6 |
| H. | NEW BUSINESS: | | 6 |
| I. | CORRESPONDENCE: | | 6 |
| J. | CLOSED SESSION: | | 3 |
| K. | ADJOURNMENT | | 6 |

Minutes
of the
Airports Commission Meeting

April 17, 1990
and the Continued Meeting of
April 19, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:25 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Z. L. Goosby, Vice President
Sharon B. Duvall
Patrick A. Murphy

Absent: Morris Bernstein, President
Donald R. Stephens

* * *

J. CLOSED SESSION:

The meeting recessed at 9:27 AM to go into closed session and reconvened at 9:50 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 3, 1990 were adopted by order of the Commission Vice President.

No. 90-0063

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. PENDING LEGISLATION:

The following item was adopted unanimously.

1. State Legislation

No. 90-0064

Review and recommendations on AB3147, AB4135, SB2405, SB2738, SB2256, SB2259 and SB2895.

Mr. Lou Turpen, Airport Director, said that staff is offering for the Commission's review recommendations on various bills before the State legislature concerning airport matters. He asked that the Commission approve the attached resolution which will allow staff to proceed in the manner outlined for each specific bill.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was removed from the calendar. A court reporter's transcript of this item is available upon request.

2. Denial of Advertising on Self-Service Luggage Carts

Resolution denying Quality Vending's request to place advertising on the self-service luggage carts.

Item No. 3 was put over.

3. Authorization to Conduct a Pre-Bid Conference for Operation of Automobile Rental Services

Resolution authorizing a Pre-Bid Conference for operation of Automobile Rental Services.

Mr. Turpen asked that this item be put over. He explained that in looking at this and the development of the master plan in the intervening period it was his view that this pre-bid conference should be postponed. He said that the development of the Airport's rental car facilities is at a particularly critical point and as we move through the environmental process the next six to eight months will clearly set forth exactly what those facilities will be. He felt that it would be counter-productive, both from the Commission's perspective as well as from businesses who will be competing for this opportunity, to start this process now and then be forced to amend it because of the results of the environmental process. He said that he would file another report with the Commission in about two to three weeks regarding the status and the implications of the environmental process.

Commissioner Goosby asked those individuals who requested permission to address the Commission on this issue if they wished to rescind their requests.

All requests to address the Commission on this item were rescinded.

Item no. 4 and 5 were called together.

4. Authorization to Conduct a Pre-Bid Conference for South Terminal Cigarette Vending Lease

No. 90-0065

5. Termination of South Terminal Cigarette Vending Lease No. 88-0208 and Permit Authorization to Establish Interim South Terminal Cigarette Vending Sales

No. 90-0066

A) Resolution approving the termination of South Terminal Cigarette Vending Lease No. 88-0208 - C.V. Ventures, Inc., as Lessee.

No. 90-0067

B) Resolution approving permit authorizing interim South Terminal cigarette vending sales pending re-bid of the South Terminal Cigarette Vending Lease.

Mr. Turpen said that staff was requesting permission to terminate the South Terminal Cigarette Vending lease, put in another vendor temporarily and ask for permission to bid. He said that this action stems from a failure to perform and that there is no controversy. He explained that the temporary substitution is the winner of the North and International terminal bids.

A court reporter's transcript of item no. 6 is available upon request. This item was also discussed when the Airports Commission reconvened its meeting on Thursday, April 19, at 5:30 PM in Room 228, City Hall, San Francisco. A court reporter's transcript is also available upon request for that session.

6. Anderson Pacific Engineering Construction Inc., Request for the Substitution of Electrical Services Company for Albert Electric Company, Inc. as Electrical Subcontractor on Airport Contract No. 1011B.1

Resolution deciding to approve or disapprove Anderson Pacific's request for the substitution of Electrical Services Company for Albert Electric Company as Electrical Subcontractor.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

7. Award of Contract No. 1876:
North Terminal Holding Areas and Boarding Area "E" Roofing

No. 90-0068

Resolution awarding Contract No. 1876 to California Roofing Co. in the amount of \$289,793.00.

8. Award of Contract No. 2245:

International Terminal Cart Road Underpass - Draining Pump Station Improvement

No. 90-0069

Resolution awarding Contract No. 2245 to E. Mitchell, Inc. in the amount of \$68,310.00.

9. Declaration of Emergency - Contract No. 2301:

Emergency Repair of 20" Water Main, North Oxidation Pond

No. 90-0070

Resolution ratifying the action of the President of the Commission in declaring an emergency and directing the Director of the Airports to effect the necessary repairs.

* * *

H. NEW BUSINESS:

There was no discussion by the Commission.

* * *

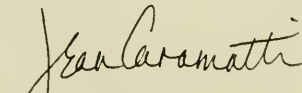
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. RECESS:

There being no further calendared business before the Commission the meeting recessed at 11:10 AM and reconvened on Thursday, April 19, 1990 at 5:30 PM in Room 228, City Hall, San Francisco.


Jean Caramatti
Commission Secretary



April 13, 1990

Dollar Systems, Inc.
Executive Offices
6141 W. Century Blvd.
P.O. Box 45048
Los Angeles, CA 90045-0048
(213) 778-8100 • Telex 873373

VIA FAX # 415/876-7875

Mrs. Jean Caramatti
Commission Secretary
Airports Commission
City and County of San Francisco
San Francisco Int'l Airport
San Francisco, California 94128

RE: Memorandum dated April 9, 1990 - Authorization to Proceed with a
Pre-Bid Conference for Operation of Automobile Rental Services

Dear Mrs. Caramatti:

I will be unable to personally attend the Commission meeting on Tuesday, April 17th, at which the captioned item will be considered and wish to make my thoughts known through this letter. Mr. Turpen's memo (the last paragraph of Page 1) mentions restricting the number of on-airport ready/return facilities to five and a parenthetical note "(typically, the top five bidders)".

There are presently five companies operating ready/return areas at SFO and I request that the Airports Commission permit the existing on-airport service facility operators to continue to occupy their on-airport service facility sites regardless of bid ranking, provided they are one of the six successful bidders. It would be a monumentally expensive task to relocate an on-airport facility to an off-airport site for the short term of this agreement. Also, any new operator coming on-airport would already have in place adequate off-airport facilities to accommodate ready/return functions. I believe that to put an existing concessionaire who has contributed to the airport for well over ten years in a position of possibly relocating facilities for such a short term at a very substantial expense is unnecessary to achieve the Airport's goals.

Thank you and the Commission for considering my comments.

Best regards,

Gary L. Paxton
Senior Vice President
Operations & Properties

GLP/pac
0413-1

cc: Ronald D. Gonzales - VIA FAX # 415-876-7875
Jim Saunders - VIA FAX # 415-697-4074

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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

MAY 1, 1990

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ART AGNOS, MAYOR COMMISSIONERS

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President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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May 1, 1990

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| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Regular meeting of April 17, 1990 | 90-0071 | 3 |
| D. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Anderson Pacific Engineering Construction Inc.'s Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Airport Contract No. 1011B.1 (See Court Reporter's transcript.) | | 3 |
| | 2. | Award of Contract No. 1977: Improvements to Electrical Distribution System - Rosendin Electric | 90-0073 | 4 |
| | 3. | Self-Service Carts - Quality Vending Proprietary, Ltd. (See Court Reporter's transcript) | 90-0072 | 3,7 |
| | 4. | Selection of Co-Senior Managers for the Proposed Issuance of a Delayed Bond Closing Contract | - | 4 |
| | 5. | Award of Agreement - Airport Information Booths - Polaris Research and Development | 90-0074 | 4-5 |
| | 6. | Authorization to Receive Bids for Lease of North Terminal Candy Store | 90-0075 | 5 |
| | 7. | Extension of the Third Modifica- tion to Agreement for Airport Medical Clinic Unit until June 30, 1992 | 90-0076 | 6 |

| | | | |
|-----|---|--------------------|---|
| F. | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| 8. | Retirement Resolution: Robert Larsen | 90-0077 | 6 |
| 9. | Exercise of Options for Lease No. 89-0120 and 89-0121, Acosta Catering | 90-0078 90-0079 | 6 |
| 10. | Bid Call - Contract No. 2274: International Terminal Pavement Slurry Seal | 90-0080 | 6 |
| 11. | Resolution Ratifying Personnel Actions | 90-0081 | 6 |
| G. | NEW BUSINESS: | | 7 |
| H. | CORRESPONDENCE: | | 7 |
| I. | CLOSED SESSION: | | 7 |
| J. | ADJOURNMENT: | | 7 |

Minutes
of the
Airports Commission Meeting
May 1, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:07 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|---|
| Present: | Z. L. Goosby, Vice President Sharon B. Duvall Patrick A. Murphy |
|----------|---|

| | |
|---------|---|
| Absent: | Morris Bernstein, President Donald R. Stephens |
|---------|---|

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 17, 1990 and the continued meeting of April 19, 1990 were adopted by order of the Commission Vice President.

No. 90-0071

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was continued to June 5, 1990. A court reporter's transcript is available for this item.

1. Anderson Pacific Engineering Construction Inc.'s Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Airport Contract No. 1011B.1

Item no. 2 was adopted unanimously.

2. Award of Contract No. 1977:
Improvements to Electrical Distribution System
Rosendin Electric

| | |
|-------------|--|
| No. 90-0073 | Resolution awarding Contract No. 1977, Improvements to Electrical Distribution System to Rosendin Electric in the amount of \$215,000. |
|-------------|--|

Commissioner Goosby asked if this company received MBE status.

Mr. Dennis Bouey, Deputy Director, Facilities Operations & Maintenance, responded that since they make over \$7-million a year they are no longer considered an MBE.

Item no. 3 was discussed and then put over to the end of the calendar for vote. A court reporter's transcript is available for this item.

3. Self-Service Luggage Carts - Quality Vending Proprietary, Ltd.

| | |
|-------------|---|
| No. 90-0072 | Resolution confirming Airports Commission's waiver of requirement that Quality Vending Proprietary, Ltd. be qualified to do business in California at time of award of self-service luggage cart agreement. |
|-------------|---|

Item No. 4 was put over.

4. Selection of Co-Senior Managers for the Proposed Issuance of a
Delayed Bond Closing Contract

Resolution authorizing the selection of First Boston and Pryor, McClendon, Counts to serve as co-senior managers for the proposed issuance of a delayed bond closing product to refund the outstanding Series D Bonds.

Item nos. 5 through 7 were adopted unanimously.

5. Award of Agreement - Airport Information Booths
Polaris Research and Development

No. 90-0074

Mr. Turpen told the Commission that Polaris appears to be an excellent firm and he believed they will do an outstanding job.

Commissioner Goosby asked if this was a Prop J contract.

Mr. Turpen responded that it was.

Ms. Angela Gittens, Deputy Director for Business and Finance, added that the Controller has not yet approved the contract.

Commissioner Goosby wondered if City employees could do this cheaper.

6. Authorization to Receive Bids for Lease of North Terminal Candy Store

No. 90-0075

Resolution approving leasehold specifications and authorizing staff to receive bids for the lease of the North Terminal Candy Store.

Mr. Turpen said that this follows up the See's Candy Cart trial which proved to be very successful. This is the Boarding Area 'F' location.

Ms. Gittens said that this bid will also contain the currently leased candy operation. She said that flowers and greeting cards will be optional rather than mandatory as originally required.

Commissioner Duvall asked if the See's Candy Cart would be stand-alone or wrapped into this program.

Ms. Gittens responded that the cart will be wrapped into this program. The winning bidder will determine whether or not to offer See's or another high quality candy.

Commissioner Duvall asked if the See's cart was a direct license with See's or through an operator.

Ms. Gittens thought it was through a direct license with See's.

Mr. Turpen thought it was through an operator.

Commissioner Duvall asked Ms. Gittens if she felt the operator would bid on this package.

Ms. Gittens responded that she did not know.

Commissioner Goosby asked if this was a small business set aside.

Ms. Gittens responded that it is not currently a small business set aside. She said that anyone can bid on this space.

Commissioner Goosby said that according to the City Attorney the Airport can set aside for a local small business.

Ms. Gittens responded that we can't do that for concessions.

Mr. Garibaldi said that we can set aside for local small businesses as long as it is race and sex neutral.

Ms. Gittens added that it has been the Commission's practice that small business has not been limited to local. The Commission has never set aside a concession contract for a local business, just small business. She said that staff did consider setting this aside for a small business, however the experience requirements, although the minimum is within the amount for a small business set aside, when we looked at the pool in this business, having a small business set aside would knock out an awful lot of the potential bidders. She said that of the companies that came to the pre-bid conference, it looked like only two would qualify as SBEs.

Commissioner Goosby thought it would be a nice opportunity for a small business.

Ms. Gittens said that the Airport's Outreach Officer has been very successful in getting businesses interested in this opportunity and it is for that reason that the specifications were changed so that candy experience was no longer required. She said that that requirement would have knocked out all but one potential bidder in the pool.

7. Extension of the Third Modification to Agreement for Airport Medical Clinic Until June 30, 1992

No. 90-0076

Recommendation of a two-year extension of the current operator's Agreement until June 30, 1992.

Mr. Turpen explained that the Clinic has been at the Airport since 1971. We are in the process of developing a new international terminal concept. It is anticipated that the Medical Clinic will be moved to the new terminal. He said that a significant amount of money went into this facility in terms of proprietor equipment. He thought it made more sense to wait until there was a better definition on what is going to happen in the future, much like the rent-a-car issue, before we move ahead.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

8. Retirement Resolution:
Robert Larsen

No. 90-0077

9. Exercise of Options for Lease Nos. 89-0120 and 89-0121, Acosta Catering

No. 90-0078
No. 90-0079

Resolution approving the renewal options of Lease Nos. 89-0120 and 89-0121 for Acosta Catering effective July 1, 1990, for one year, under the same terms and conditions.

10. Bid Call - Contract No. 2274:
International Terminal Pavement Slurry Seal

No. 90-0080

Resolution approving the scope, budget and schedule for Contract No. 2274, and authorizing the Airports Director to call for bids.

11. Resolution Ratifying Personnel Actions

No. 90-0081

* * *

G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The meeting recessed at 10:35 AM to go into closed session and reconvened at 10:47 AM.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

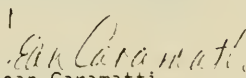
Item no. 3 was adopted unanimously.

3. Self-Service Luggage Carts - Quality Vending Proprietary, Ltd.
No. 90-0072

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:50 AM.


Jean Caramatti
Commission Secretary

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DR. Z. L. GOOSBY

Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

June 5, 1990

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| B. | | ROLL CALL: | | 4 |
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| E. | | ITEMS INITIATED BY COMMISSIONERS: | | |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Anderson Pacific Engineering Construction Inc., Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Contract No. 1011B.1 | | |
| | 3. | Selection of Co-Senior Managers for the Proposed Issuance of a Delayed Bond Closing Project | 90-0084 | |
| | 4. | Authorization to Award Pacific Bazaar Lease to Host International, Inc. | 90-0085 | |
| | 5. | Authorization to Award North Terminal Executive Stationery Store Lease to EFS | 90-0086 | |
| | 6. | On-Airport Rental Cars: Lease Hold Over | 90-0087 90-0088 90-0089 90-0090 90-0091 | |
| | 7. | Self-Service Luggage Carts - Quality Vending Proprietary, Ltd. | 90-0092 | |

8. Authorization to Receive Bids for
Lease of North Terminal Crab and
Seafood Lease
9. Authorization to Purchase Eight
Hotel-Motel Display Boards 90-0093
10. Bid Call - Contract No. 2298:
International Terminal Fifth Floor
Alternation 90-0094

H.

CONSENT CALENDAR OF ROUTINA
ADMINISTRATIVE MATTERS:

11. Retirement Resolution:
Ed Conway 90-0095
12. Retirement Resolution:
John Galvin 90-0096
13. Bid Call - Contract No. 2318:
Runway 28L Pavement Grooving
(West End) 90-0097
14. Bid Call - Contract No. 1843IB:
International Terminal Crawlspace
Demolition and Removal of
Abandoned Utilities 90-0098
15. Bid Call - Contract No. 2300:
North Terminal Furniture
Replacement 90-0099
16. Sale of Former Northwest
Improvements to USAir 90-0100
17. Sublease between American
Airlines, Inc. and GTE Mobilnet
of California, Ltd. 90-0101
18. Resolution Authorizing the Award
of Contract to Produce the
Airport's 1990 Annual Report 90-0102
19. Contract with the Corporation of
Fine Arts Museums, San Francisco -
\$85,000.00 90-0103
20. \$7,500 Contract with the Center
for Puppetry Arts, Atlanta,
Georgia 90-0104
21. Resolution Ratifying Approval of
Standby Service Pay 90-0105
22. Resolution Tatifying Personnel
Actions 90-0106
23. Travel/Training for Airport
Representatives 90-0107

J.

NEW BUSINESS:

K. CORRESPONDENCE:

L. CLOSED SESSION:

25. Smarte Carte vs. CCoSF, et al.
- S.F. Superior Court No.
917-818

26. Albert Electric vs. CCoSF

27. Settlement of Litigation -
United Airlines 90-0108

M. ADJOURNMENT:

Minutes
of the
Airports Commission Meeting

June 5, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Donald R. Stephens |
| | Sharon B. Duvall |
| | Patrick A. Murphy |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 1, 1990 were adopted by order of the Commission President.

No. 90-0083

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 90-0082 regarding the settlement of a litigated claim at the closed session of May 1, 1990.

* * *

A complete court reporter's transcript of this meeting is available upon request.

E. DIRECTOR'S REPORT:

1. Distribution of Runway Reconfiguration Study Phase I Draft Report

Commission's concurrence to distribute copies of Draft Report for Runway Reconfiguration Study, Phase I, to interested parties.

F. ITEMS INITIATED BY COMMISSIONERS:

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was removed from the calendar.

2. Anderson Pacific Engineering Construction Inc.'s Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Airport Contract No. 1011B.1

Item nos. 3 through 7 were adopted unanimously.

3. Selection of Co-Senior Managers for the Proposed Issuance of a Delayed Bond Closing Project

No. 90-0084

No. 90-Resolution authorizing the selection of First Boston and Pryor, McClendon, and Counts to serve as co-senior managers for the proposed issuance of a delayed bond closing product to refund the outstanding Series D Bonds.

4. Authorization to Award Pacific Bazaar Lease to Host International, Inc.

No. 90-0085

5. Authorization to Award North Terminal Executive Stationery Store Lease to EFS

No. 90-0086

6. On-Airport Rental Cars: Lease Hold Over

No. 90-0087
No. 90-0088
No. 90-0089
No. 90-0090
No. 90-0091

Resolution authorizing a month-to-month hold over with the five current on-Airport Rental Car Operators.

7. Self-Service Luggage Carts - Quality Vending Proprietary, Ltd.

No. 90-0092

Resolution confirming Airports Commission's waiver of requirement that Quality Vending Proprietary, Ltd. be qualified to do business in California at time of award of self-service luggage cart agreement.

Item No. 8 was put over.

8. Authorization to Receive Bids for Lease of North Terminal Crab and Seafood Lease

Resolution approving leasehold specifications and authorizing staff to receive bids for lease of the North Terminal Crab and Seafood Kiosks.

Item nos. 9 and 10 were adopted unanimously.

9. Authorization to Purchase Eight Hotel-Motel Display Boards

No. 90-0093

Resolution authorizing purchase of eight Hotel-Motel Display Boards for Ackerley Airport Advertising, Inc. in form of rent credit.

10. Bid Call - Airport Contract No. 2298: International Terminal Fifth Floor Alteration

No. 90-0094

Resolution approving the scope, budget and schedule for Contract No. 2298 and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

11. Retirement Resolution:
Ed Conway

No. 90-0095

12. Retirement Resolution:
John Galvin

No. 90-0096

13. Bid Call - Airport Contract No. 2318:
Runway 28L Pavement Grooving (West End)

No. 90-0097

Resolution approving the scope, budget and schedule for Contract No. 2318, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

14. Bid Call - Airport Contract No. 1843IB:
International Terminal Crawlspace
Demolition and Removal of Abandoned Utilities
- No. 90-0098 Resolution approving the scope, budget and schedule for Contract No. 1843IB, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.
15. Bid Call - Airport Contract No. 2300:
North Terminal Furniture Replacement
- No. 90-0099 Resolution approving the scope, budget and schedule for Contract No. 2300, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.
16. Sale of Former Northwest Improvements to USAir
- No. 90-0100
17. Sublease Between American Airlines, Inc. and GTE Mobilnet of California, Ltd.
- No. 90-0101 Resolution approving a sublease between American Airlines, Inc. and GTE Mobilnet of California, Ltd. for installation of a communication equipment room at American Airlines' Superbay.
18. Resolution Authorizing the Award of Contract to Produce the Airport's 1990 Annual Report
- No. 90-0102
19. Contract with the Corporation of Fine Arts Museums, San Francisco - \$85,000
- No. 90-0103 Resolution approving contract for \$85,000 with the Corporation of Fine Arts Museums, San Francisco (COFAM) for the purpose of providing and implementing temporary exhibitions at San Francisco International Airport for the Fiscal Year 1990/1991.

20. \$7,500 Contract with the Center for Puppetry Arts, Atlanta, Georgia

No. 90-0104

Contract for \$7,500 with the Center for Puppetry Arts, Atlanta, for the purpose of providing objects for exhibition in January-February 1991 in conjunction with the Festival of Indonesia.

21. Resolution Ratifying Approval of Standby Service Pay

No. 90-0105

Resolution, in accordance with Salary Standardization Ordinance, approving standby service pay.

22. Resolution Ratifying Personnel Actions

No. 90-0106

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

23. Travel/Training for Airport Representatives

No. 909-0107

* * *

I. PUBLIC HEARING:

The Public Hearing was convened at 10:29 AM. There being no requests to speak from the public, the hearing was closed at 10:33 AM.

24. Hearing on Setting Penalty Rates for Excess Water Use

Hearing to discuss adopting the San Francisco Public Utilities Commission's Water Conservation Program.

* * *

J. NEW BUSINESS:

There was no discussion by the Commission.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

25. Smart Carte vs. City and County of San Francisco, et. al. -
San Francisco Superior Court No. 917-818.

26. Albert Electric vs. City and County of San Francisco

M. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:37 Am to go into closed session.


Jean Caramatti
Commission Secretary

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19/90

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 19, 1990

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

June 19, 1990

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Minutes
of the
Airports Commission Meeting

June 19, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Z. L. Goosby, Vice President
Donald R. Stephens
Patrick A. Murphy

Absent: Morris Bernstein, President
Sharon B. Duvall

* * *

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 90-0108 regarding the settlement of litigation entitled City and County of San Francisco vs. United Airlines by acceptance of \$24,575.48 at the closed session of June 5, 1990.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item no. 1 was adopted unanimously as amended.

1. Expressing Airports Commission's Strong Objection to Certain Portions of the San Mateo County Transportation System Management Program

No. 90-0109

Mr. George Bergman, Planner with the County of San Mateo, representing the San Mateo County Board of Supervisors said that prior to this meeting the County Manager sent a copy of the San Mateo County Transportation System Management Plan (TSM), the ordinance and a cover letter to each Commissioner. He said that the San Mateo County Board of Supervisors will soon be adopting the TSM and the accompanying implementing ordinance which is aimed at reducing traffic congestion on the Peninsula. Towards this end, the plan proposes techniques such as ride sharing, shuttle buses, flexible work hours, telecommuting, etc. The plan culminates with an ordinance that specifically requires that large public and private employers, including commercial landlords, prepare a program which will achieve 25 percent employee participation in alternatives to single occupant commuting over the next five years.

Mr. Bergman said that the ordinance, as written, has implications on the Airports Commission both as an employer and as an owner of leased commercial space. The ordinance requires an employee survey of current employee commute patterns, distribution of prepared commute alternative information and preparation of a program demonstrating how 25 percent of all employees will commute to work by a mode other than a single occupant automobile.

Mr. Bergman said that it is important to note that although the ordinance as written applies to the Airports Commission both as an employer and owner of leased commercial space, their attorneys are still reviewing the legality of these provisions. He also assured the Commission that the provision authorizing the imposition of a fee of up to \$5.00 per employee was only an option for the San Mateo County of Board of Supervisors to consider at a later date. The ordinance before them does not establish the fee, it merely provides the authority for a fee up to \$5.00. The Board could assess such a fee at a later date depending on the fiscal situation.

Mr. Bergman said that the San Mateo County Board of Supervisors requests the Airports Commission's support and cooperation in carrying out the intent of the plan. They believe that relieving traffic congestion and promoting regional cooperation have been stated priorities of both counties. They also recognize the long standing and on-going efforts that the Airport has taken to improve transportation at the Airport. He said that San Mateo County looks forward to working with the Airport to further reduce congestion on the Bayshore freeway.

Commissioner Murphy asked Mr. Bergman how the Airport could ensure that 25 percent of the employees working at the Airport would participate in such a program.

Mr. Bergman responded that according to his understanding of the operation of the Airport, the City and County of San Francisco owns the land and leases out to firms. Firms such as United Airlines, Flying Tigers, Delta Airlines, TWA, etc. who employ more than 100 people would be required to prepare their own program independent of the Airports Commission and the County would work with them if there was lack of cooperation. He said that under the ordinance the Airports Commission would be responsible for Airports Commission staff and the lessees of commercial space within the terminals which is defined as a business complex under the ordinance. The owner/operator of the commercial space will be the responsible for preparing and implementing a program. Recalcitrant employees would be the responsibility of the employer or the owner of the commercial space to prepare the program and apply it, i.e. the Airports Commission.

Commissioner Murphy asked what the \$5.00 would cover.

Mr. Bergman responded that the \$5.00 is an option for the future. For the first couple of years San Mateo County anticipates receiving funds from Measure A, a half-cent sales tax in San Mateo County for road improvements. There is a fund for administering TSM. The \$5.00 was put in the ordinance as a hedge against the day when the County cannot rely on Measure A monies. This merely authorizes the assessment of a fee at a later date. He explained that the assessment would be to the employer based on the number of employees.

Commissioner Murphy said that we could safely assume that that assessment will occur.

Mr. Bergman said that the Board has not made any statements to that effect.

Commissioner Murphy asked how the Airport could ensure 25 percent participation. What if employees simply refuse to participate.

Mr. Bergman explained that the 25 percent was over a five year period.

Commissioner Murphy wanted to know what the Airport would be in for if this happens. He asked if a fine would be levied.

Mr. Bergman responded that a fine structure has been included in the ordinance for employers who don't prepare a program, but the ordinance does not address a lack of cooperation in administering it.

Commissioner Murphy asked what would happen if the employer prepares a program and still cannot achieve 25 percent participation.

Mr. Bergman responded that that will be determined in the future. He said that before a city or the Board of Supervisors requests money from Measure A funds, a transportation authority in the County would review their efforts and TSM. If the Board of Supervisors has made best efforts attempts at working with the Airports Commission to get employees to implement their plan and it is concluded that a good faith effort was made by everyone involved, he assumed that the transportation authority would sign off and issue the money, but he could not say for sure.

Commissioner Murphy asked if this has been tried in other areas.

Mr. Bergman responded that the City of Pleasanton has an ordinance like this as well as communities in Southern California.

Commissioner Murphy said that the City of Pleasanton is not an apples to apples comparison. He asked if there was a similar ordinance for a governmental unit the size of San Mateo County.

Mr. Bergman responded that he was not sure but thought there might be in Southern California.

Commissioner Murphy asked Mr. Burton to explain the distinction between leased space and 100 employees.

Mr. Bergman responded that the major requirement of the plan applies to employers and operators of business complexes that have 100 or more employees. If a firm in the private sector has more than 100 employees, they must prepare a program. In the case of a business park with an office complex operated by one manager, that manager is responsible for devising a program for his tenants. In the case of San Francisco Airport, all employers with over 100 employees must

prepare their own plans, independent of the fact that these firms are leasing land from the City of San Francisco.

Commissioner Murphy assumed that the Airport would have no responsibility for those companies.

Mr. Bergman said that was correct. Those companies will coordinate their efforts with San Mateo County. When the Transportation Authority approved this plan they made it clear that this was to apply to the public sector as well as to the private sector. He said that in this unique situation the Airports Commission also is an operator of a business complex that in the aggregate has more than 100 employees among the various franchises within the terminals.

Commissioner Stephens asked if the Airport would be responsible for making concession employees participate in this plan.

Mr. Bergman responded it would be the Airport's responsibility but their attorneys are currently looking into the legality. He said that their attorneys have been in contact with the Airport's legal staff, and in fact, the Airport's attorneys prepared the staff report.

Commissioner Goosby commented that the Airport has done much of this with its own employees.

Mr. Bergman said that San Mateo County recognizes San Francisco Airport's efforts. He said that it is possible that SFO currently meets the 25 percent requirement.

Commissioner Goosby said that the San Francisco Board of Supervisors should look at the feasibility of levying a \$5.00 charge on commuters entering San Francisco from San Mateo County.

Commissioner Murphy asked if there was a time frame.

Mr. Bergman added that a dialogue began two or three weeks ago between the Airport's and San Mateo County's legal counsels and his comments are qualified by the outcome of those discussions. As it is currently written, the ordinance applies to San Francisco Airport.

Mr. Turpen said that the ordinance is due to be heard by the San Mateo County Board of Supervisors on June 26. It must be approved by July 1 in order to receive any money.

Mr. Bergman added that the statute requires that the plan be adopted by all of the cities of the County by the end of June. Although San Mateo County is reviewing the ordinance simultaneously with the plan, there is no requirement to adopt the ordinance by that date.

Commissioner Murphy said that he was supportive of the idea of managing the transit problem by way of getting cars off the road and people into public transit or carpooling situations. He said that he was very troubled that this ordinance doesn't make a lot of sense when applied to the largest employment complex in San Mateo County. He said that he was also very troubled by the "ensure" language and how the Airport was supposed to accomplish. He said that if he had to vote on this he would express grave doubts about the wisdom of this ordinance as presently drafted. He said that he understands what San Mateo is trying to accomplish but this doesn't make any sense to him. The Airport tends to be out front on these public policy issues rather than lagging behind, but we can't agree to do things that we have no power to cause to happen.

Mr. Bergman again said that his Board has indicated a willingness towards total cooperation in working with the Airport staff.

Dr. Nancy Jewell Cross, spoke on behalf of Clean Air Transport Systems, a civic shareholder investors organization whose goal is to achieve efficient transportation and clean air on no less than a regional basis. She felt that the Airport's relation to transportation has great significance in the total Bay Area.

Dr. Cross asked if it was true that the Airport has 31,000 employees and 13,000 employee parking spaces.

Mr. Turpen said that the Airport has 30,000 employees and roughly 3,000 employee parking spaces.

Dr. Cross said that there are reasons for strong objection at this point and asked the Commission not to accept the ordinance as it is written. She said that there are currently no practical or feasible alternatives for people to get to the Airport efficiently without a car. This is an obligation of the San Mateo County Supervisors who dominate the SamTrans Board and yet haven't provided the necessary leadership. She did not feel that San Mateo County was in a position to impose problems on the Airport until the County provided a reasonable plan for getting people to and from the Airport.

Ms. Shelley Kessler, San Mateo Central Labor Council and the Airport Labor Coalition, said that while they are open-minded on this issue they do have some questions. They are concerned about traffic and would like to get people to and from their work sites. She said that this applies not only to the Airport as a 24-hour facility but to hospitals, markets, etc. She felt Commissioner Murphy's point was well taken and was concerned about the impact on employees should the Airport be unable to comply with the ordinance as it is currently written.

Ms. Kessler said that some employee groups have collective bargaining agreements that address the transportation issue. She would like to know what impact this would have on those collective bargaining agreements. She said that they were also concerned about access to transportation. She explained that for those people who travel from the five Bay Area counties to get to the Airport it is difficult to find good transportation, especially in the off non-peak hours. She would like to see more transportation systems available. They support those alternatives that would help traffic congestion. They do not oppose the plan. She said that they are also concerned about the cost of transportation in outlying areas for low-income people. Ms. Kessler also expressed concern about the possibility of an employer considering coming into the area only to be dissuaded by the potential \$5.00 per head fee.

Ms. Kessler assured Mr. Bergman that she was merely expressing her union's concerns and her comments were not meant to be antagonistic.

Commissioner Goosby asked Ms. Kessler if she was against approval of the ordinance at this time.

Ms. Kessler responded that the ordinance raises definite questions but they were not definitely opposed to the it. They support the concept of better mass transit.

Mr. Turpen said that since 1979 the Airport has been involved in a push toward ride-sharing and mass transit at the Airport. The Airport currently has a goal of 25 percent and is the first airport in the country dedicated to this type of activity. He said that he has some serious concerns about the County dealing directly with Airport businesses and establishing independent plans which are not integrated to an overall fabric. It is a question of control and

control is important at the Airport. He said that he is willing to commit his best efforts but the issue of placing the Airport in a position of assuring participation is a concern.

Mr. Turpen said that the Airport generates about \$18-million to San Mateo County, which is about 4-5 percent of their budget. He said that he was concerned about the concept of charging \$5.00 a head, which by ordinance can go to any number. He felt that in these austere times for many of the surrounding municipalities and counties that becomes an open invitation to try and extract money from not only the Airport but its tenants. He is very concerned about that provision as well. He would be in favor of any ordinance which required the Airport to file a transit plan with San Mateo County and make its best efforts to reach a 25 percent goal, with the elimination of any fee for administration.

Mr. Turpen said the Airport is in a highly integrated environment with regard to safety and security concerns. Independent relationships with the County, as a practical matter, cannot be effective without the Airport's wholehearted support and endorsement. Essentially, the Airport controls the land the tenants lease.

Mr. Turpen recommended that the Commission oppose this in its current form. He understood the rush to pass something by July 1 because of legal requirements but he felt that this ordinance attempts to legislate a process and the manner and procedures which will be employed.

Mr. Bergman explained that the plan must be adopted by July 1 but there is no need to approve the ordinance by that date. He said that the plan spells out the program and sets the policy.

Mr. Turpen recommended adding a final resolve to the Commission's resolution which would read "The Airports Commission strongly objects to the adoption of the San Mateo County Transportation System Management Program as it is presently proposed." He said that the resolution will be transmitted to San Mateo County.

Mr. Turpen said that the Airport has subscribed to mass transit for the past 11 years and has worked towards a 25 percent goal. He said that the Airport is not opposed to filing an integrated plan for the Airport and working with the tenants. He did not believe that the Airport should be assessed any amount legislatively for the administration of a plan. He felt it was simply a mechanism to try and syphon money into the treasury.

Commissioner Goosby did not feel that giving only two weeks notice to a group that provides 4 percent of your revenue source was very congenial.

The following items were adopted unanimously.

2. Shuttle Bus Agreement No. 68252, Modification No. 8

No. 90-0110

The Airports Commission is being presented with a Resolution setting rates and making reimbursement for our Shuttle Bus Company. The resolution establishes the 1990 hourly rates at \$31.1675 per basic hour and \$21.6727 per incremental hour, the payment of \$426.12 for unanticipated 1989

employee health and welfare premiums, the payment of \$13,609.20 for unanticipated 1989 insurance premiums, the payment of \$161,905.00 over four quarterly payments for 1990 pass-through insurance payments, and reimbursing SFO Shuttle the difference between 1990 and 1989 rates for services rendered between January 1 and June 30, 1990.

3. Resolution Setting Penalty Rates for Excess Water Use

No. 90-0111

Resolution adopting the San Francisco Public Utilities Commission's Water Conservation Program.

4. Airport Improvement Program (A.I.P. No. 11)

No. 90-0112

Resolution approving the Projection Application for A.I.P. fund of \$11.78-million and requesting the Board of Supervisors to authorize filing of Project Application and acceptance of the resulting grant offer.

Mr. Turpen explained that this simply puts these funds into the escrow account. The money will become available when the 707 issue is resolved.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

5. Retirement Resolution:
Richard O'Brien

No. 90-0113

6. Host International, Inc. - Design Approval

No. 90-0114

Resolution approving schematic design for an additional Host food/beverage facility in Boarding Area C.

7. Resolution Approving Rental Credit to Mexicana Airlines

No. 90-0115

Resolution approving a rental credit to Mexicana Airlines for costs associated with the relocation of their cargo facility as a result of the October 1989 earthquake.

8. Resolution Approving Sublease by Pan American World Airways to Mexicana Airlines

No. 90-0116

Resolution approving the sublease of cargo space in the hangar located on Plot 1, by Pan American to Mexicana.

9. Sublease between Delta Airlines, Inc. and USAir, Inc.

No. 90-0117

Resolution approving the sublease of a portion of the Delta Aircraft Maintenance Facility to USAir, Inc. on Airport Plot 12.

10. Contract for Holiday Decor, San Francisco International Airport 1990

No. 90-0118

Contract for holiday decor for Holiday Season, December 1990.

11. Travel/Training Fiscal Year 1990/91

No. 90-0119

* * *

G. NEW BUSINESS:

Dr. Nancy Jewel Cross said that rail access to the Airport can be accomplished in a matter of a few months... it doesn't take 20 years or a BART connection between Daly City and the Airport, all it needs is a station with CalTrain. The Airport must persuade the Public Utilities Commission. She said that she has a letter from the PUC indicating that it is feasible to approach them on this issue, how she can apply and to object to the inadequacy of service to the Airport. The PUC then makes a ruling that public convenience and necessity require that there be a stop at the Airport. She said that it is her understanding that the Airport is prepared to place a people mover system there as soon as possible. She said that she has also spoken with Airport staff and has been told that it would be possible to use a shuttle bus in the interim. She said that the Airport has not been resistant to this effort, it is the San Mateo County Board of Supervisors. The Supervisors do not deny that an Airport station for CalTrain could be functioning within a few months. They claim that it would interfere with the lucrativeness of their 7F bus route. She said that they haven't had the 7F bus route for many months because of the strike. She said that the Supervisors claim that they would consider it when a BART station is built, but that is \$1-billion and 20 years away.

Commissioner Goosby suggested to Dr. Cross that she take this up with MTC.

Dr. Cross said that the MTC is run like a cartel. They won't do anything that the County Supervisors don't want to do. She said that the Mayor of Millbrae thinks it's a good idea but he needs support. She said that she is willing to make the application if the Airport is willing to endorse it.

Dr. Cross presented the Commission with a leaflet describing how the Airport can connect with BART in San Francisco to the CalTrain Station. She said that the Muni Metro connection is due to be completed in 1992. _____

Commissioner Goosby said that the Commission would take this under advisement.

Dr. Cross asked if the Airport could write her a letter indicating the Commission's intentions.

Mr. Turpen told Dr. Cross that she would be notified.

Commissioner Goosby asked that the meeting be adjourned in memory of Rea Bernstein, wife of Commission President Morris Bernstein, who passed away this morning.

Dr. Cross added that she has approximately 600 names on a petition for this issue.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:42 AM.


Jean Caramatti
Commission Secretary



New Direction. New Opportunities.

RAIL TRANSPORT TO S.F. INTERNATIONAL AIRPORT

BART, CALTRAIN, AND TROLRIES JOINED! In San Francisco

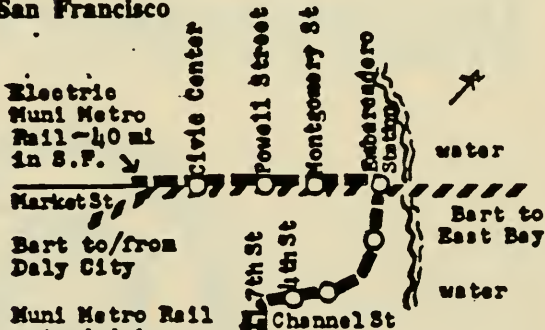
Meet the Issues and
Get the Answers

Should a world class
airport:

1. Have its own rail
station on closest line
located opposite its
main entrance?

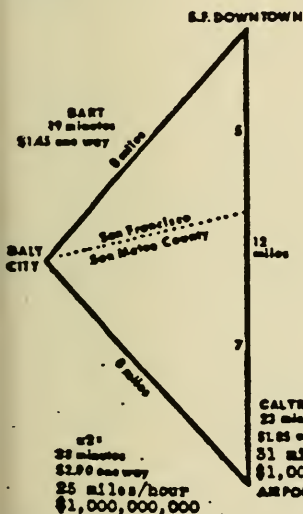
2. Offer amenities
including gratis use of
luggage carts?

—Or in the interest of
lowest airline landing
fees from sales of
parking and cart use,
promote automobile
access and traffic
congestion?



Muni Metro Rail
extended in a
boulevard to
Caltrain.
\$14 million
to 4th St
(present
terminal)
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SAN FRANCISCO AIRPORTS COMMISSION



DOCUMENT NO. 107

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OF
PUBLIC SECURITY

MINUTES

JULY 3, 1990

ART AGNOS, MAYOR

COMMISSIONERS

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President

DR. Z. L. GOOSBY

Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

July 3, 1990

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Minutes
of the
Airports Commission Meeting

July 3, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Sharon B. Duvall
Patrick A. Murphy

Absent: Donald R. Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 5, 1990 were adopted by order of the Commission President.

No. 90-0120

* * *

D. DIRECTOR'S REPORTS:

1. The Distribution of Runway Reconfiguration Study Phase I Draft Report

Commission's concurrence to distribute copies of Draft Report for Runway Reconfiguration Study, Phase I, to interested parties.

Mr. Lou Turpen, Airport Director, said that the Commission authorized the Airport to engage a consultant to take a look at the runway configuration at the Airport with a view toward whether or not any modification of that configuration could reduce the noise impact in the 65CNEL to zero. Greiner was ultimately hired. He said that if there was a runway configuration that could do that then the Commission could look beyond the first portion of the study to the possible environmental consequences, costs and other impacts of selected runway relocation. He said that the Greiner report was provided to the staff about five days ago. It is staff's intention to informally ask the Commission's permission to share it with the Airport Community Roundtable and other groups as staff begins to

evaluate the report's content. He said that the objective is either to ratify some of the opportunities that appear to be in the report or to reject them and return to the Commission within 60 days with a more definitive evaluation of what this report says and his recommendation.

Mr. Turpen explained that this report offers the data necessary to evaluate each alternative with a view toward continuing or abandoning the report. He said that of the 26 studies that were done, four of them suggest a 0/65 CNEL impact. He would like to take a look at the zero impact alternatives to determine if they are as attractive as they appear initially. He would also like to take a look at some alternatives that may not be zero impact with a view toward possibly insulating a small number of homes. He said that it is possible that environmental and cost concerns might be such that a zero impact alternative wouldn't be possible.

Commissioner Duvall hoped that the Airport had a plan for presenting the report to the media to ensure an accurate presentation in the press rather than allowing the opportunity for it to be misinterpreted.

Mr. Turpen said that typically staff would share with the media the Airport's intention and program. He was certain that when the Airport meets with the Roundtable in about a month it will receive attention there as well. This report provides a data base to determine whether or not staff should move forward to the next stage. He said that he did not intend to call a press conference at this point because he did not anticipate much interest at this early stage. He felt that calling a press conference at this point would create an impression which just isn't there.

Commissioner Duvall agreed with Mr. Turpen but felt a press release might be in order.

Mr. Turpen agreed.

Commissioner Duvall said that this is an opportunity to bring about a positive modification to the runway system as well as to the overall noise situation but very often these opportunities are thwarted in the early stages because of misunderstandings and alternative agendas.

Commissioner Goosby asked if a timetable had been established.

Mr. Turpen responded that a Roundtable meeting has been set up for August 1 and will serve as a forum for local communities to discuss this with the Airport in a workshop setting. Staff should return to the Commission with reactions from the workshop in early August. He thought that staff should have some final thoughts on this first phase prepared for the Commission by September.

Mr. Turpen announced that the Roundtable workshop will be held in the North Terminal VIP Room at 7:30 PM on Wednesday, August 1.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked that an item be calendared to discuss Howard Friedman's replacement.

Mr. Turpen said that the item will be placed on the next calendar

F. PENDING LEGISLATION:

2. Verbal Report on State and Local Legislation Being Monitored by Staff

Mr. Peter Nardoza, Assistant Deputy Director, Business and Finance, explained to the Commission that currently the City does not contract with any company that has ties with South Africa in accordance with the City's South Africa Divesture Ordinance. The Board of Supervisors is now considering an amendment to include leases and permits. He did not know how that would effect our airline and concession leases or our leases for gasoline.

Mr. Nardoza said that this amendment is currently in the Administration and Oversight Committee. A hearing was held last week and the item was continued. The amendment, as it is currently written, has language that speaks to Federal preemption which may cover our airline leases. He said that it also speaks to fiduciary responsibility but it is still very unclear what that might do to a Marriott/Host lease. He said that he did not know if Marriott has a hotel in South Africa.

Mr. Turpen added that the amendment also covers businesses that do business with companies having ties with South Africa. He said that this ordinance will now flow to the revenue stream whereas previously it was expense oriented.

Commissioner Duvall asked who authored the amendment.

Mr. Nardoza responded Supervisors Kennedy and Ward.

Mr. Nardoza explained that the San Mateo County Board of Supervisors adopted their county-wide transportation plan that this Commission opposed by resolution at its last meeting. The Supervisors were very strong in their support of the past efforts made by the Airports Commission. They indicated to their staff that they were to work very closely with the Airport to learn from its staff how to go about this. They did not adopt the ordinance which includes the \$5.00 per head fee nor will the Airport be required to file a plan at this point. Further, on the advice of the Supervisor's legal counsel the ordinance was put over so that it could be rewritten to meet the Airport's concerns.

Mr. Don Garibaldi, Airports General Counsel, added that the County Council still has not determined whether they can make that ordinance applicable to San Francisco.

Mr. Nardoza told the Commission that the State legislators are very angry with the cost of airfare in California. It is \$456 to fly round trip LAX/Sacramento. They are also very concerned with the level of service, vis a vis flights being cancelled, etc. When the hearing started yesterday, Assemblywoman Gwen Moore, the Majority Whip, indicated that due to Federal preemption they can't get at the airlines directly so they will go through the airports. Comments such as, "You, the airports, can take away their gates." "You, the airports, have so much money that you can create programs and hire people to monitor what the airlines are doing and report to the legislators. In turn they will figure out a way of how to deal with the airlines."

Mr. Nardoza said that there were two bills up yesterday by Senator Roberti, President Pro Tem of the Senate. Senate Bill 2259 speaks to gate discrimination and it would ban an airport from discriminating in the allocation of gate space. As we understand it it would not effect our present Lease and Use Agreement but that question is up in the air. He said that Senator Roberti is looking at Los Angeles which is now renegotiating most of its airline leases. LAX is looking towards more of a common use program whereby the airport could control who gets to use what gates at what times of day. He said that there was no quorum when this item was heard so it is still pending in Committee.

Commissioner Murphy asked what was meant by discrimination.

Mr. Nardoza said that Southwest Airlines was present yesterday and they support the bill. He said that the discussion was that if Southwest can fly from Burbank to Oakland for \$69 each way, why can't Southwest fly LAX/SFO for \$69? Southwest responded that they don't have the gate space at those two major airports but they do have gate space at the two smaller airports, which allows them to fly cheaply.

Mr. Turpen said that the issue is that they don't have control of the gates so they must sublease from another airline. The suggestion being that because they have to sublease they have to pay fees which are higher than they would normally pay to the authority so their costs increase. He said that the gate may be passed on at the 15 percent cap set by the Commission but the handling fee is agreed to by the two airlines involved and the Airport has no involvement.

Commissioner Duvall said that there is some substance to the argument of full access to gates alleviating the situation.

Mr. Turpen said that he is completely in favor of common use gates.

Mr. Nardoza said that at this point the Lease and Use Agreement will remain in tack.

Ms. Angela Gittens, Deputy Director, Business & Finance, said that the issue is that LAX has 100 long term leases expiring and an attempt is being made to try to prevent them from entering new long term leases.

Mr. Nardoza said that last year staff was before the Commission regarding Senator Roberti's bill, SB 1723. This bill speaks to consumer affairs. The Senator wants to create within the State PUC an office of Airline Consumer Affairs. The Airport had no problem with that until Friday when the Senator issued amendments which would require airports to pay for it. Airports would be required to send money to the State PUC to administer the program. Airports would create and staff a 24-hour-a-day office to receive complaints from airline consumers. Both he and the LAX representative spoke against this round of amendments. The Senator's office indicated that they would work with him and the LAX rep during the summer recess to see what could be worked out. He added that Assemblywoman Gwen Moore again said that since airports have so much money it would be no problem for them to support this type of program.

Mr. Nardoza said that Senator Kopp has SB 2405 which would require post 1991 construction and/or sale of any property within a noise impacted area to have notification in that sale that the area is noise impacted. He said that Senator Kopp is carrying the legislation for a developer.

Mr. Turpen explained that this goes back to Shearwater. Several years ago the Airport litigated with a developer in South San Francisco regarding putting housing under SFOs shoreline departure where currently there is no residential use. As a result of that litigation homes were not built in that area. Now, it seems that a new developer wishes to construct homes. One of the ways the developer can achieve his objective is to have legislation requiring an aviation easement for the Airport to protect it from liability as well as a provision to notify individuals buying the property to ensure that they are fully cognizant of the Airport's presence.

Mr. Turpen said that Senator Kopp's bill has raised serious concerns on the Peninsula. Many of the noise affected communities feel that a new constituency north of the Airport would create not so much a legal influence but a political influence on the Airport to start shifting flights, thus impacting their respective communities. They are particularly concerned about the bill from the standpoint of further residential development where there is presently none. He has met with key people on the Peninsula as well as with Senator Kopp's staff in an attempt to work something out. He felt that a generic bill is attractive and any insulation that the Airport can receive from litigation is desirable. The Airport is presently insulated under PART 150 of Federal regulations which says that anyone moving in after a date certain is deemed to have constructive knowledge of noise nuisance and is therefore foreclosed from litigating. He said that this bill is almost a duplicate of that type of language and goes further with some type of notice requirement. He said that they are still talking about it and it is still pending.

Commissioner Goosby asked if the State had enacted a similar piece of legislation several years ago.

Mr. Turpen responded that the State tried to enact something about four years ago but it was vetoed by Governor Deukmejian. He said that he would support any legislation declaring that anyone who moves within a certain radius of the Airport to have constructive knowledge of the nuisance. Further, he would support a notification requirement within that bill requiring the homeowner to provide written acknowledgment of the presence of the Airport.

Commissioner Duvall asked if the lands subject to development were currently prohibited from residential development by statute.

Mr. Turpen responded that they were not. He said that it would appear that the area under consideration is outside the 65 CNEL noise impact boundary which would make it legal for residential development under the county plan. However, it is an area over which aircraft would fly. He said that there would be much single-event noise impacting and today our larger problem is the single event issue which is not recognized by State law. He said that Foster City, for example, is not impacted by 65 CNEL and yet the single event of an arrival, which is far less noise generating than a departure, has given rise to a very significant constituency in Foster City.

Mr. Turpen said that the bill's intent was an effort to blend a couple of very difficult positions ... the Airport's position of no more housing in the vicinity of the Airport, and, the position of the community which says that more housing is needed.

Mr. Turpen said that he will continue to keep the Commission advised.

Mr. Nardoza said that the off-Airport rent a car bill is alive and well and has been completely rewritten by Assemblyman Costa. It now

says that when an Airport leases to a rent a car company on airport it needs to hold a public hearing and it needs to issue findings of fact. It is our assumption as well as the assumption of all other airports, that those findings of fact could then be used for a lawsuit. He said that the findings of fact would speak to why the Airport only let five leases rather than 10 leases, for example. This bill will be heard next Thursday before the Senate Local Government Committee and the Airport will oppose it.

Commissioner Murphy asked if it were true that Alamo is planning to come into the Airport.

Mr. Turpen responded that Alamo has just petitioned to go to Oakland.

Mr. Nardoza said that our bill which would make it a misdemeanor to go onto the airfield is sailing right through and should be approved sometime in August. Assemblywoman Spear is carrying this bill.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was removed from the calendar.

3. Authorization to Conduct Pre-Qualification Process
Airport Public Automobile Parking Facilities Operating Agreement

Resolution authorizing Director to conduct the pre-qualification process for the Airport Public Automobile Parking Facilities Operating Agreement.

The following item was put over.

4. Award of Airport Contract No. 2239 Taxiway 'R'
Widening and Reconstruction Between Taxiways 'S' and 'X'

Resolution awarding Contract No. 2239 to Fisk, Firenze and McLean, Inc. in the amount of \$460,139.50.

Item No. 5 was adopted unanimously.

5. Award of Parking Garage Level 2 Restriping
Contract 1680C-R

No. 90-0121

Resolution to award Contract 1680C-R to the low bidder, RPA Construction Co. Contract price is \$91,327.00.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

6. Approval of Exhibition Program

No. 90-0122

Proposed Exhibition Schedule for the San Francisco International Airport Exhibitions Programs, July 1, 1990 to December 1991.

Commissioner Goosby assumed that according to this information there was no space available for additional exhibitions at the Airport. He noted that there is a good deal of ethnic art represented in the schedule.

Mr. Turpen explained that long term schedules are established as it takes a while to receive commitments for exhibitions, deal with insurance issues and schedule the exhibits into appropriate available space according to the timeframes of exhibit owners. He said that very often people approach the Exhibition Department wanting to plan an exhibit but because the exhibition schedule is planned a year or more in advance these people are placed on lists.

7. Rental Credit to Northwest Airlines, Inc. for Surface Sealing of Airport Aircraft Parking Spots 99/100

No. 90-0123

8. Retirement Resolution:
Luis F. Gomez

No. 90-0124

Adoption of proposed Retirement Resolution for Luis F. Gomez, SFO Federal Aviation Administration Civil Aviation Security Field Office.

9. Resolution Ratifying Personnel Actions

No. 90-0125

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

I. PUBLIC HEARING:

The public hearing was called at 9:38 AM and adjourned at 9:40 AM, there being no comments from the public.

10. Hearing on Fiscal Year 1990/91 Rates & Charges

Hearing concerning the Proposed Terminal Rental Rates and Landing Fee Rates for Fiscal Year 1990/91.

Commissioner Goosby asked Mr. Turpen if the airlines had any reservations about these rates and charges.

Ms. Gittens responded that the one reservation they expressed in a

letter to the Commission is that as the Airport moves forward with the kind of indebtedness we plan to undertake over the next several years that we hold the line on operational spending. They had no problem with the current year.

* * *

J. NEW BUSINESS:

Unanimous adoption of the following retirement resolutions.

| | |
|-------------|-----------------|
| No. 90-0126 | Doug Martin |
| No. 90-0127 | Nick Rocco |
| No. 90-0128 | Cliff Wichmann |
| No. 90-0129 | Enrique Serrano |
| No. 90-0130 | Harry Forrest |
| No. 90-0131 | Marcello Bruce |

* * *

K. CORRESPONDENCE:

Mr. Turpen offered a short chronology on the background on BART.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

BART EXTENSION TO SFIA

CHRONOLOGY OF ACTIONS

- 1972 - Airports Commission approves a change order to the North Terminal, Boarding Area F and garage construction contracts to provide a BART right-of-way to the center of the garage. Construction piles are relocated to provide unobstructed space. The right-of-way is not excavated and does not extend any further than the indicated facilities. (Exhibit A)
- 10/1/75 - San Francisco Board of Supervisors, by Resolution No. 722-75, urges and recommends that the BART District Board of Directors adopt as its first priority, new construction to extend BART to the San Francisco International Airport (no specific alignment mentioned). (Exhibit B)
- 12/20/83 - Airports Commission, by Resolution No. 83-0339, endorses the concept of a BART extension to SFIA and urges MTC to study alternative alignments of BART at and near the Airport and alternative means of accessing the terminals from an Airport BART Station. The memo to Commission describes the MTC new rail starts/extensions and specifically the BART Airport extension - recommends that the Airports Commission staff testify at the January 12, 1983 MTC public hearing to support the BART extension to SFIA. (Exhibit C)
- 2/10/84 - Letter to Supervisor Wendy Nelder from William Coblenz, Vice President, Airports Commission, urging the Board of Supervisors to continue support of the BART extension to San Francisco Airport in lieu of supporting the San Francisco Transportation and Traffic Committee's recommendation to delete support of BART in favor of the Southern Pacific line to the Trans Bay Terminal. (Exhibit D)
- 2/14/84 - San Francisco Board of Supervisors, by Resolution No. 124-84, recommends inclusion of a BART extension to or near San Francisco International Airport, predicated on equitable participation by San Mateo County for such a station, and requests that the resolution be transmitted to the Mayor and the Metropolitan Transportation Commission. (Exhibit E)
- 3/13/85 - Staff memo to Commission describes the status of the Peninsula Mass Transit Study. The study evaluated eight alternative transit options to serve the Peninsula as far south as San Jose. BART alternatives to SFIA included internal (garage) and external alignments (West of Bayshore, Millbrae Station). (Exhibit F)
- 7/11/88 - Staff memo to Commission describes the historical and future plans for a BART extension to the San Francisco International Airport. It indicates MTC preference for a West of Bayshore BART Station. (Exhibit G)
- 2/8/90 - MTC Policy Committee meets to review Phase I of the BART San Francisco Airport Extension Alternative Analysis/Draft Environmental Impact Study. The study, funded by the Urban Mass Transportation Administration, is to determine the technical and financial feasibility of various alternatives. The Policy Committee unanimously voted to continue studying and pursue UMTA funding of only the external BART extension to San Francisco International Airport (West of Bayshore Station). (Exhibit H)
- 2/28/90 - Letter to Brian Clymer, Administrator of the Urban Mass Transportation Administration, from Lawrence Dahms, Executive Director of MTC, requesting authorization to proceed with Phase II of the Alternative Analysis/DEIS specifically, analyzing the external alignment of BART to serve San Francisco International Airport. (Exhibit I)
- 5/9/90 - California Transportation Commission Hearings; MTC, BART and SFIA give testimony recommending BART serve San Francisco International Airport and analysis supporting an external BART station. (Exhibit J)
- 6/11/90 - UMTA authorizes and MTC proceeds with Phase II of the Alternative Analysis/DEIS for a BART extension (external alignment - West of Bayshore) to the Airport. (Source - MTC)

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MINUTES

AUGUST 7, 1990

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Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Minutes
of the
Airports Commission Meeting

August 7, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall

Absent: Patrick A. Murphy

* * *

C. CLOSED SESSION:

The meeting recessed at 9:02 AM to discuss the following item in closed session and reconvened at 9:18 AM.

1. SFO Airporter, Inc. vs CCSF et al, San Francisco Superior Court No. 873939

* * *

D. DIRECTOR'S REPORTS:

Item No. 2 was put over to the August 21, 1990 meeting without discussion.

2. Report on Lease Option Policy
3. SBE Business Consulting Services

Report on SBE consulting services and programs currently available at San Francisco International Airport.

Mr. Lou Turpen, Airport Director, said that the Commission asked staff to look into this. There are several alternatives available to the Commission. The first is to have Airport staff provide the service. The second would be to hire a consultant. The third would be to do nothing and have Sandra Crumpler, the Airport's Outreach Officer, act as a clearinghouse for businesses who need these

services. It would be Ms. Crumpler's responsibility to put these businesses in touch with organizations that provide these services. It seems to be working quite well. He felt that the Airport should not be involved for obvious reasons of liability. The Airport would not want to be placed in the position of providing services to a business only to have that business fail.

Commissioner Goosby said that the businesses he has spoken with do not seem to be interested in this service.

Mr. Turpen recommended the third alternative and said that Sandra Crumpler will maintain a log of inquiries she receives from businesses for a period of six months. After that time staff will return to the Commission.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

4. Retaining a Coordinating Architect for the Master Plan

Mr. Turpen said that Howard Friedman served as the coordinating architect for the South Terminal. He did a wonderful job of coordinating and balancing affirmative action in this project. Mr. Friedman was respected in his field and everyone recognized his ability to insulate staff as well as communicate a sense of fairness within the architectural community.

Mr. Harry Overstreet, President of the National Organization of Minority Architects, said that there were a number of members of that organization present but he would be the only member to speak.

Mr. Overstreet praised Mr. Friedman for the system he established. He said that Howard Friedman had a unique set of attributes ... one of them was that he was an academic. He kept up not only with architectural trends, but he also kept up to date and had a working knowledge of the development of firms, their personnel and the styles within those firms. That is something no other architectural firm would have access to. Other firms could not spend the time nor would they have the inclination to keep up with what is happening in other firms.

Mr. Overstreet said that he felt that should take over this responsibility. He said that he knows who Jason Yuen's boss is if he ever had a problem with him. That would not be the case if the Airport hired an architectural firm to replace Howard Friedman. Mr. Overstreet said that they trust the Airport staff.

Commissioner Goosby said that Howard Friedman paved the way and developed this process. His services were invaluable to the Airport. He understood the Commission's needs and its desire for broader minority participation. He said that Howard's integrity was impeccable and unquestioned and we won't find anyone like him again.

Commissioner Goosby agreed with Mr. Overstreet and felt that staff should take on this responsibility.

Commissioner Bernstein praised Mr. Friedman's accomplishments and said that his friendship with the Commission will be missed. He agreed that the Airport will never find anyone like him again. He also agreed that seeking a replacement from an architectural firm would not work. He suggested looking into the possibility of hiring a professor from either Berkeley or Stanford.

Commissioner Goosby suggested that staff come up with a process for selecting architects. It will be this process that will define how well we do.

Mr. Turpen said that staff will develop a process for the selection of a Master Plan architect for presentation to the Commission.

* * *

F. POLICY:

Item No. 5 was put over to the first meeting in September.

5. Revisions to Policy on Bid Deposits and Performance Guarantees

Commissioner Stephens felt that if a bidder was able to get one of these instruments then he or she should have no trouble in getting any other. He felt that any financial institution, certainly his bank, would not give a certified check or cashiers check to any small business without available funds. If the small business had the funds and wanted a letter of credit against it, the Airport should take the most protective position and take the letter of credit.

Ms. Gittens said that she had no objection but was merely reacting to what they have been told by the small business tenants.

Commissioner Stephens suggested that they tentatively ask for the letter of credit and let the bidder tell the Airport why it is more difficult to get a letter of credit than a cashiers check. He said he would be interested in hearing it.

Commissioner Duvall wondered if the small business response has been from actual experience or from some sort of projected or expected experience.

Ms. Gittens said that she would ask that specific question.

Commissioner Duvall said that if the small business comes back with specific bank experiences that tell us that a letter of credit really is an undue economic burden, that is what we would be concerned with.

Commissioner Stephens said that the question is, if small businesses have \$50,000 for cashiers checks why can't they get letters of credit.

Commissioner Duvall assumed that from the banks point of view they are all equally collateralized.

Mr. Turpen said that this item would be put over until the first meeting in September to give staff the time to conduct the required survey and return to the Commission. He said that everything would remain at the status quo.

Commissioner Stephens said that it was the feeling of the Commission that letters of credit and surety bonds are the same, but they are certainly willing to listen to any comments that small businesses might offer as to why it's harder to get a letter of credit than it is to get a cashiers check.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

6. Self-Service Luggage Cart Agreement

| | |
|-------------|--|
| No. 90-0132 | Resolution rescinding the previous award, extending the current agreement, and authorizing the Director of Airports to accept proposals for a five-year agreement. |
|-------------|--|

Mr. Turpen said that this item rescinds the previous award, extends the current operating agreement to ensure continuity of service at an amended rate for free carts in Customs, and authorizes staff to accept proposals on a new luggage cart agreement.

Commissioner Stephens assumed that the Airport would not be taking on any additional liability by rescinding this bid as the court deemed that we have handled it improperly.

Mr. Don Garibaldi, Airports General Counsel, said that we don't have a specific decision yet but the court has made it clear that we must rescind the old contract.

Commissioner Goosby asked why it's being handled as a proposal.

Mr. Turpen responded that this is a service type of activity.

Commissioner Goosby said that the garage was bid and that is a service.

Mr. Turpen responded that the garage is done by bid but it is a two-phase project. The first phase is a pre-qualification process, the second is to request a bid amount.

Mr. Turpen explained that this bid is unique. The free carts in Customs cost the Airport about \$1-million a year. We were seeking proposals to provide a pay cart system in the domestic area as well as a free cart system to passengers in the international area. Finally, we are looking for a way to mitigate against that cost rather than trying to bid a complicated dual system. He said that this is not an area which is repleat with bidders. Essentially there is one firm in the United States and one or two outside of the United States ... probably a maximum of 10 or 12 companies will bid.

Commissioner Goosby asked if we were bound by the same Charter regulations that govern bidding concessions.

Mr. Turpen responded that we are not.

Commissioner Goosby assumed that there were no legal grounds for accepting the lowest bidder.

Mr. Don Garibaldi, Airports General Counsel, said not as long as the Airport makes a determination based on an evaluation of the proposals. There must be a reasonable basis for the decision. The courts would sustain such a determination.

Mr. Turpen said that there are a number of wild cards in this scenario. Because of the free cart issue it is not a simple matter of providing carts to the Airport.

Commissioner Goosby said that the Commission has dealt with bids and people trust the bidding process and feel it is fair. He gets nervous when the Airport departs from that process and fears that it will become a practice.

Mr. Garibaldi responded that concessions must be bid.

Mr. Turpen said that the situation that applies here is not one which applies in the traditional retail concession area. We would not go for an RFP in a retail concession because we are prevented legally from doing so. The free cart component puts a slightly different spin on the issue and has created some opportunities for ingenuity on the part of the private sector. He would like to see what type of ingenuity they can bring to this issue.

Item No. 7 was put over.

7. Airport Public Automobile Parking Facilities Operating Agreement Authorization to Conduct Pre-Qualification Process

Resolution authorizing staff to
conduct the pre-qualification process
for the Airport Public Automobile
Parking Facilities Operating Agreement.

Mr. Turpen said that this begins a two-part process for the central parking garage. It deals with the pre-qualification of companies to ensure that they are capable of operating a facility such as ours. At the conclusion of that process we request bids. This is the same process used in 1980 and 1985.

Commissioner Duvall asked how many potential candidates we are left with at the end of the pre-qualification process.

Ms. Gittens responded that although he did not know that much about the 12 companies that attended the conference, he assumed that six or seven will be left. He said that the issue of the five mile limit would eliminate four of the potential bidders. This specification says that no company with a public parking garage within five miles of the Airport can bid on this agreement. This was an issue in 1985. The Commission chose to remove the specification the last time in order to encourage more bidding. Staff recommends that the specification be included. She believed the Commission would hear commentary from speakers requesting the removal of the specification.

Commissioner Stephens asked for an explanation of the theory behind the five mile limit.

Ms. Gittens responded that the theory was that since the Airport pays all of the operating costs, that another competing operation closely situated to the Airport would provide the opportunity for staff sharing between the two facilities. This could result in the Airport picking up costs for services it is not receiving. It would also catapult the Airport into an extraordinary auditing/watchdog process.

Commissioner Stephens asked if the operator would pay us a certain amount per car.

Ms. Gittens responded that the Airport pays a management fee ... that is the bid item. The expenses are set annually by budget process.

Commissioner Goosby assumed that the Airport does not want the operator to use its other employees to work at the Airport and vice versa.

Ms. Gittens said that that was correct.

Commissioner Stephens understood that the Airport paid the operator a certain amount per year to manage the garage and we pay the employees work for them.

Commissioner Duvall asked for an explanation of the rationale for the five mile limit.

Commissioner Stephens assumed that that distance would make it difficult to move employees around. If the operator had a parking facility only two miles down the road it would be a simple matter to have an employee working there but listed on the payroll here.

Commissioner Duvall still did not understand the five mile barrier.

Mr. Turpen said that he did not believe that the five mile limit was ever actually set, it just seemed to be a reasonable distance.

Commissioner Stephens asked if we were limited to accepting the lowest bidder.

Ms. Gittens responded that the contract will be awarded to the lowest bidder.

Commissioner Stephens asked if we were legally bound to do it that way.

Mr. Garibaldi responded that we are not, but it proved successful the last two times it was bid.

Ms. Gittens added that we could legally set up another process but the low-bid process was before the Commission.

Commissioner Goosby asked what other processes could be used.

Mr. Garibaldi responded we could use an RFP but staff is not recommending it.

Commissioner Goosby said that anytime the Airport wants to get around a bidding process they can set up another process.

Mr. Garibaldi responded that that is not true. The Charter is very clean when dealing with concessions ... they must be competitively bid and awarded to the highest bidder.

Commissioner Goosby felt that the garage was a lucrative concession.

Mr. Garibaldi said that the garage is operated as a management concession, not a lease.

Mr. Turpen said that he strongly recommended repeating the last two efforts. The pre-qualification process ensures that the applicant pool is qualified and removes any subjectivity from that qualified pool in terms of what goes on. The Commission should have a high degree of confidence in a pre-qualified bidders ability to perform.

Commissioner Goosby said that this is such a lucrative contract that handling it any other way puts everyone at a disadvantage and a tremendous amount of pressure mounts. He said that if the contract is bid and the low bidder receives the bid, politics does not come into play. He felt the bidding process protects the agency.

Commissioner Duvall said that it was her impression that the nature of the contract being let is a management services contract with an element allowed for profit and overhead. She assumed that that is

the only element allowed in that management service bid that would be other than a direct recovery of expenses.

Ms. Gittens said that the Airport is bidding a management fee. The bidder tells us how much we have to pay them to manage the garage.

Commissioner Duvall asked if this was the fee that was somewhere under \$20,000.

Ms. Gittens responded that that was correct.

Commissioner Duvall asked if this was the lucrative contract being discussed.

Commissioner Goosby said that it is lucrative for the Airport but there are all kinds of ways to make money.

Commissioner Stephens asked if the fee was \$20,000 a month.

Ms. Gittens responded that the current management fee comes to \$20,000 a year.

Commissioner Stephens asked what else they were making if they were bidding \$20,000 a year on a management contract that makes \$30-million. He said it doesn't sound right.

Commissioner Duvall wanted more information. She said that the Commission is confused as to the elements of the contract.

Mr. Turpen said that it is fairly straightforward. Whatever money is collected by the garage goes into the Airport fund. The Airport reimburses the operator for expenses plus the management fee. Last year the cost of operating the garage was roughly \$6-million to \$7-million which includes personnel and other attendant costs.

Commissioner Duvall said that the regulation says that those expenses must be incurred solely and directly at the garage.

Mr. Turpen said that that is correct.

Commissioner Stephens assumed that the only benefit the operator receives is the \$20,000 fee.

Commissioner Duvall asked if overhead allocation was allowed.

Mr. Turpen responded that he did not believe so. The garage operator presents a budget, staffing plan, cost, etc. and the Airport approves it and reimburses the operator. The Airport audits both financially and operationally against that plan. If the Airport wants cashiers added, those costs are factored in and audited against that revised number. He felt that from the operators perspective they are putting their people in place in the facility and all of their costs, i.e. salaries, fringes, union contacts, etc. are covered. They have 100 percent recovery and the question is what increment above that 100 percent and that is the bid item.

Commissioner Stephens said that conceptually we are getting a company to run a business through which passes over \$30-million in revenues and at the end of the year the amount that they get to put in their bank account for taking on the responsibility of a \$30-million a year business is \$20,000 plus their operating expenses.

Mr. Turpen said that that is correct.

Commissioner Goosby said that the Airport had companies from all over the United States wanting to bid this contract and the bids were all very close together.

Commissioner Bernstein asked if there were revenues on various items in which they participate such as repairs.

Mr. Turpen responded that they do not.

Commissioner Stephens asked if they received other benefits such as printing the garage tickets or towing cars and storing them for fees.

Mr. Gittens responded that one of the major other benefits is on the credit card receipts. Those receipts are deposited once a week in our account so they get three and a half days of interest on the cash from the credit card receipts.

Commissioner Duvall asked what the credit card receipts amount to.

Ms. Gittens responded that it is about 20 percent of the total.

Mr. Turpen said that the Commission has two options ... option one is to do an RFP and option two is to bid. The firms will have to be pre-qualified regardless of the option.

Commissioner Stephens asked why the Airport doesn't run the operation.

Mr. Turpen responded that the Airport is required to do a yearly Prop J analysis and each time the analysis has proven that the City cannot operate the facility as cheaply as a private contractor.

Commissioner Stephens suggested that that measurement assumes that in order to run the garage the City would have to use the same number of personnel the current manager uses. He said that if you compare the five garage attendants that they have at the salary they are paying versus our own five garage attendants it may come out to be more money. He asked if a study had ever been done to determine if we need the number of attendants used. He said that there may be other incentives to have other people on the payroll that we might not have if we ran it ourselves.

Mr. Turpen responded that we basically run it ourselves. The management firm really is an agency for providing the bodies we specify. The Airport determines all manning levels, the times of opening and closing of lanes, the custodial schedules, etc. The Airport runs the operation, the firm provides the employees to manage it and they provide the on-site management of personnel.

Commissioner Stephens said that he did not know of a business around that would be interested in managing a \$30-million operation for \$20,000 a year, including the Bank of San Francisco.

Mr. Turpen said that he could name 12 interested businesses.

Commissioner Duvall suggested going ahead and listening to the comments at the pre-qualification conference. It will provide important information from which to make a decision. In the mean time the Commission will consider it and return to staff with requests for additional information. She said that the Commission needs to understand the elements of the operating costs.

Commissioner Bernstein asked Mr. George England if he wished to address the Commission.

Mr. George England, leased cab driver with Luxor Cab Company, said that he wanted to address the Commission about the public auto parking contract. He felt that any future contract agreement should include refinements to the present system. Those refinements will include a more efficient flow of taxis through the Airport parking lots and roadways via a better coordination among the personnel whose jobs impact on taxi flow. Secondly, closed circuit TVs and monitors in staging areas and taxi stands so that starters, drivers, supervisors and the public can see where the taxis are and where they are needed. Compared to the cost of transponders for the shuttles, the closed circuit TV system is very minor. He said that under this agreement starters would actually be aiding the flow of taxis that seems to be the preference of the public.

Commissioner Bernstein asked Mr. England how his comments related to the issue at hand.

Mr. England responded that the garage is run by Airport Parking Management and one of their competitors operates that company. There are scheduled bottlenecks in the flow of cars through the cab lot. He said that there are times when cab drivers drop off upstairs and as they circle the roadway they see passengers standing around and there are no cabs in the stands.

Commissioner Duvall explained that the Commission is considering the pre-qualification issue. She thought Mr. England's information was very interesting and she was glad to have it, however, she needed him to speak to the contract specifications as opposed to the pre-bid qualifications. She told him that at the appropriate time his remarks can be entered into the record on contract qualifications.

Mr. Turpen said that that was correct. He said that Mr. England's concerns can be raised with Mr. Fein, manager of Landside Operations. They are operating issues and can be changed at any time. They are not part of the specifications per se.

Commissioner Duvall said that it should be determined how to handle this information. She said that staff might want to give it a little more importance by having it included somehow into the overall specifications of the operating costs.

Mr. Turpen said that if the Commission wants a follow-up the easiest way to handle it would be for Mr. England to communicate in writing to him with a copy to the Commission. Staff will address the issues and file a response with the Commission. The Commission can then raise specific issues on specific items in the event there are concerns about the response.

Commissioner Duvall said that she would like the opportunity to consider it a little more. She asked Mr. England to present written comments to the Director and he will follow up on that information with the Commission. The Commission will then have the opportunity to consider whether or not it is possible to have it included in some sort of specification. She said that the Commission is not able to take any specific action today with regard to Mr. England's comments.

Mr. England said that he wanted to bring this to the attention to the Commission. He said that he has made great effort to contact all members of Landside Operations. He said that they are often out and as he is a working cab driver it is difficult to reach him. He added that he does have a pager and he does respond to calls.

Mr. England said that ideally he would like to see a closed circuit TV system that will modernize the way cabs flow through the Airport,

rather than a hit or miss coordination between personnel that seems to change on a daily basis. He felt that would go a long way to solving some of the problems.

Item No. 8 was put over.

8. Authorization to Conduct Pre-Bid Conference for a Limousine Service Operating Agreement

Recommendation to adopt resolution authorizing staff to conduct pre-bid conference for two limousine service operations agreements.

Commissioner Bernstein said that he received a letter from Associated Limousine asking for a two week delay on this item in order to have the opportunity to speak with Airport staff.

Commissioner Goosby said that he was not clear if this will be open to all limousine companies.

Commissioner Duvall asked for a staff response to the specific points raised in Associated's letter.

9. Authorization to Conduct a Pre-Bid Conference for One Additional Automobile Rental Operator

No. 90-0133

Resolution authorizing a Pre-Bid Conference for one additional Automobile Rental Operator "Counter Space Only."

Mr. Peter Green, City Manager for General Rent-A-Car, voiced his support for a pre-bid conference to allow an additional on-Airport operator. He said that his company believes that having an additional on-Airport operator was mutually beneficial because of the increase in revenue it would generate. He said that if they were the successful bidder they conservatively value it at \$250,000 in additional revenue to the City. Further, the consumer has a right to a larger choice of car rental companies at the Airport. Thirdly, in terms of consumer convenience, the existing companies direct their approach mainly to the business traveler, leaving the leisure traveler exposed. He said that they would be able to expedite the leisure traveler far faster just by having a counter at the Airport where they could write documentation while passengers wait for their baggage to arrive. He hoped the Commission agreed.

Mr. Turpen said that at one time there were six rental car operators at the Airport. One operator withdrew and there were subsequent requests to re-bid that space. He said that no bids were submitted when the space was re-bid. Staff would like to conduct a pre-bid conference to determine interest. Currently, only ticket counter space is available. More space will become available when the rent-a-car storage garages are completed.

10. Authorization to Accept Bids for the South Terminal Cigarette Vending Lease

No. 90-0134

11. Authorization to Receive Bids For and Hold Over the Lease of North Terminal Crab and Seafood Lease

No. 90-0135

Resolution approving leasehold specifications, authorizing staff to receive bids, and approving month-to-month hold over of the lease of the North Terminal Crab and Seafood Kiosks.

Mr. Turpen said that the cost per square foot was reduced from \$100 to \$75. He said that to eliminate fixturation for the encumbent would not be fair to other bidders. In recognition of this the amount was reduced.

Commissioner Goosby asked if the new bidder has the option to buy the fixtures from the current operator.

Mr. Turpen said that that would be a private transaction. The winning bidder must submit invoices to ensure that he has met the contract requirement of \$75 per square foot.

Commissioner Goosby asked if the winning bidder would still meet the Airport's standards if he purchased the fixtures from the current operator for \$50.

Ms. Gittens said that whole point is that the Airport wants an improvement in the design and appearance of the concession.

Commissioner Goosby said that if a concession space becomes shoddy the Airport can request that it be refurbished.

Ms. Gittens said that the Airport always puts a provision regarding refurbishment in leases at the outset. For example, a ten year lease will require a mid-term refurbishment and the bidder knows that upfront.

Mr. Turpen said that he understood what Commissioner Goosby was saying, however, if the concessionaire gets a good deal from the current operator on equipment that is five years old it does not change the basic contract with the Airport. When a bidder bids a contract he or she does so with the full understanding that he will pay \$75 a square foot. That is a set sum whether it be painting, carpet, fixturation, lights, etc., that is the commitment. He said it is not a question of need, it assumes a standard. There may be improvements beyond the existing standard. He said that the other problem is that if staff waives this there will be eleven other bidders suggesting that if they had known it would be waived they would have bid more and won the bid. He said that the bidding process puts everything and everyone on an even keel.

Commissioner Goosby said that this makes it more difficult on the small businessman. It makes sense to let him get by with spending \$50 rather than \$75.

Mr. Turpen said that the Commission can reduce it to \$50 if it wishes.

Ms. Gittens said that the Commission wouldn't want those two spaces looking like that for the next five years. She said that \$75 is a lot of money, but it doesn't go far at the Airport. She said that she was not suggesting that the space looked shoddy but that it would not last another five years.

Commissioner Duvall said that the Airport wants to retain its current high standard of concession design.

Mr. Turpen said that the Airport has traditionally used a five year benchmark for rehabilitation of facilities. At the five year mark of a ten year lease, the concessionaire is required to spend \$100 or \$150 per square foot.

Commissioner Duvall said that her business experience tells her that good business practice requires planning for refurbishment of fixtures.

Commissioner Goosby argued that standards are being set regardless of the situation.

Commissioner Duvall said that the unfortunate thing about contract law is that it must be written in objective terms. The Commission was concerned about the square foot cost being too high and it was brought down to a reasonable amount of money. She said that it is costly to do business at the Airport.

Commissioner Goosby said that this is what keeps prices at the Airport up.

Commissioner Duvall said that there are so many factors that cause it to be expensive at the Airport, not the least of which is labor rates and the costs of benefits.

Commissioner Goosby said that everything adds up and the Commission should do all it can to reduce the cost of operation and bring the costs down for passengers. He said that the biggest criticism listed in the passenger survey was the high cost of food.

Mr. Turpen said that that criticism is specific to a single firm. He said that he understood Commissioner Goosby's concerns. The per square foot amount could be lowered however the Airport's standards fully meet the Commission's expectations and direction.

12. Award of Geotechnical Engineering Services Contract to Trans Pacific/Dames & Moore

No. 90-0136

Approve Selection Panel's recommendation & award geotechnical engineering services contract to Trans Pacific/Dames & Moore for soil analysis for about 300 acres of Airport land. Scope of work includes 40 borings (up to 200 feet deep), laboratory analysis of the soil samples, ascertaining distance to rock bed, determining the seismic characteristics of the soil, and identifying potential hazardous materials. Consultant will also prepare contract documents and provide construction administration services for fabrication of 6,000 piles. Contract cost: maximum not-to-exceed cost of \$415,000 plus \$50,000 contingency budget for additional services as authorized by City.

13. Award of Professional Service Contract
Sequoia Analytical Laboratory

No. 90-0137

Resolution approving the employment of Sequoia Analytical Laboratory to provide testing services.

14. Award of North Terminal Candy Store Lease to ABC Cigar Company

No. 90-0138

15. Adoption of Fiscal Year 1990/91 Rates and Charges

No. 90-0139

Resolution adopting (1) Commercial and General Aviation Landing Fees and (2) Terminal Rental Rates for Fiscal Year 1990/91 and authorizing \$8,100,000 supplemental appropriation from unappropriated surplus to the Operating Fund.

Commissioner Goosby continues to be impressed with the fact that these rates are approved without comment from the airlines.

Mr. Turpen said that this is the best deal in the country for the airlines.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 17 was removed from the calendar. The remaining items were adopted unanimously.

16. Retirement Resolution:
Pan Am Pilot William G. Frisbie

No. 90-0140

Item No. 17 was removed from the calendar.

17. Retirement Resolution:
Cliff Wichmann

18. Resolution to Contract for Peace Officer Physical Abilities and Medical Standards Study

No. 90-0141

Resolution to contract for a service to validate Airport Police physical and medical standards, to develop test exercises, and develop a health maintenance program.

19. Award of Airport Contract No. 2239 Taxiway "R" Widening and Reconstruction Between Taxiways "S" and "X"

No. 90-0142

Resolution awarding Contract No. 2239 to Fisk, Firenze and McLean, Inc. in the amount of \$460,139.50.

20. Bid Call - Contract No. 2331 Silt Removal - 1990

No. 90-0143

Resolution approving the scope, budget and schedule for Airport Contract No. 2331 and authorizing the Director of Airports to call for bids when ready.

21. Design Approval - North Terminal, Boarding Area F, Hub Shoeshine Stand

No. 90-0144

22. Resolution Ratifying Personnel Actions

No. 90-0145

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

23. Travel Training for Fiscal Year 1990/91

No. 90-0146

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I. NEW BUSINESS:

There was no discussion by the Commission.

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J. CORRESPONDENCE:

There was no discussion by the Commission.

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K. CLOSED SESSION:

24. The Airports Commission will go into Closed Session, pursuant to Government Code Section 54957 to consider employee discipline.

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L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:32 AM to go into closed session.


Jean Caramatti
Commission Secretary

Associated Limousines of San Francisco

1398 BRYANT STREET, SAN FRANCISCO, CALIFORNIA 94103 (415) 563-1000

AUGUST 6, 1990

TO: AIRPORTS COMMISSION
HON. MORRIS BERNSTEIN. PRESIDENT
HON. Z.L. GOOSEY. VICE PRESIDENT
HON. DONALD R. STEPHENS
HON. SHARON B. DUVAL
HON. PATRICK A. MURPHY

FROM: ASSOCIATED LIMOUSINES OF SAN FRANCISCO

RE: AIRPORT LIMOUSINE BID DOCUMENT

HONORABLE COMMISSIONERS:

ON THE MORNING OF AUGUST 4, 1990. WE RECEIVED A MEMORANDUM FROM THE AIRPORT STAFF. IT DETAILED THE CRITERIA FOR A SECOND PRE-BID CONFERENCE. WE WOULD LIKE TO ADDRESS SOME CONCERNS OF OURS RELATING TO THIS MEMORANDUM.

1. THERE WERE VERY FEW COMPANIES AT THE FIRST PRE-BID CONFERENCE. THE THREE VERY SMALL (ie: TWO OR FEWER LIMOUSINES) COMPANIES PRESENT WERE THE ONES WHO ADAMANTLY OPPOSED THE IDEA OF A BID FOR EXCLUSIVE COUNTER SPACE. ~~THE TWO LARGER COMPANIES WERE~~ IN FAVOR OF AN EXCLUSIVE AGREEMENT.

2. FORCING ALL LIMOUSINES TO INSTALL DECALS AND TRANSPONDERS IS IMPRACTICAL. THESE VEHICLES COST UPWARDS OF \$60,000.00, AND THE PRIMARY BUSINESS IS NOT AT THE AIRPORT. TRANSPONDERS WOULD BE ACCEPTABLE ONLY IF THEY WERE SMALL AND UNOBTRUSIVE AND MOUNTED ON THE BUMPER.

3. "EXCLUSIVE PHONE SERVICE" IS AN OXYMORON. TO PAY \$20,000 OR MORE PER YEAR FOR A TELEPHONE IS JUST PLAIN BAD BUSINESS. THERE WOULD BE VIRTUALLY NO WALK UP BUSINESS. AND IT WOULD NOT BE COST EFFECTIVE FOR ANY OPERATOR.

4. IT IS NOT CLEAR AS TO HOW COMPANIES OTHER THAN THE WINNING BIDDER WILL BE ALLOWED TO OPERATE.

5. SOLICITING AND PIRATING WILL INCREASE GREATLY WITH NO OFFICIAL PRESENCE IN THE TERMINAL.

6. TEN LIMOUSINES ARE HARDLY SUFFICIENT FOR THE AIRPORT CONTRACT. THEY MAY OR MAY NOT. ASSUMING ALL TEN ARE AVAILABLE AT THE SAME TIME. BE SUFFICIENT TO HANDLE AT LEAST PART OF THE CHARTER BUSINESS. THEY DEFINITELY WILL NOT BE ABLE TO HANDLE ANY SHARE-RIDE BUSINESS. THE SHARE-RIDE BUSINESS HAS ALLOWED THOUSANDS TO RIDE SAFELY AND COMFORTABLY IN A LIMOUSINE AT A VERY



Associated Limousines of San Francisco

1398 BRYANT STREET, SAN FRANCISCO, CALIFORNIA 94103 (415) 563-1000

REASONABLE RATE. THIS IS A FINE INTRODUCTION FOR FIRST TIME VISITORS TO SAN FRANCISCO. THIS IS ALSO THE ONLY WAY THAT THE AIRPORT CONTRACT CAN BE MADE PROFITABLE.

7. IT IS IMPOSSIBLE TO OPERATE A MAJOR LIMOUSINE SERVICE WITH EMPLOYEES ONLY AS DRIVERS. THESE PEOPLE ARE PAID ONLY WHILE DOING A SPECIFIC JOB. THESE VEHICLES AND DRIVERS WOULD NOT BE AVAILABLE TO THE AIRPORT. THIS DOES NOT SERVE THE PUBLIC.

8. A PER LOOP FEE AS WELL AS A FLAT RATE MAKES NO SENSE. IT SHOULD BE ONE OR THE OTHER.

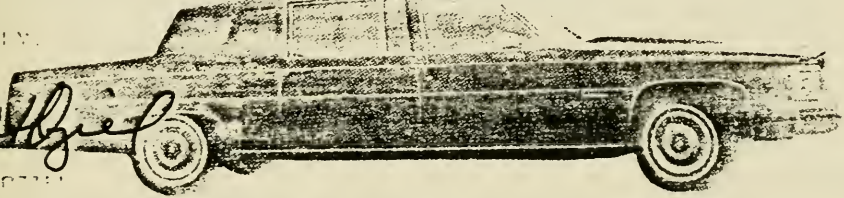
IN SUMMATION, TO ENSURE HIGH QUALITY LIMOUSINE SERVICE, MINIMIZE CUSTOMER COMPLAINTS, AND TO MAKE SURE THAT THE TRAVELLING PUBLIC HAS AS MANY OPTIONS AS POSSIBLE, WE RESPECTFULLY ASK THAT THE AIRPORT COMMISSION ALLOW A BID FOR EXCLUSIVE COUNTER SPACE, USE BUMPER MOUNT TRANSPONDERS, AND ALLOW OWNER/OPERATORS TO WORK AS INDEPENDENT CONTRACTORS, WITH THE BIDDERS RESPONSIBLE FOR THEIR BEHAVIOR.

THANK YOU FOR ALLOWING US TO SUBMIT THIS DOCUMENT.

SINCERELY,

Robert D. H. H. H.

ROBERT D. H. H. H.
ASSOCIATED LIMOUSINES OF SAN FRANCISCO





Dynasty Express Corporation
d/b/a General Rent A Car
2741 N. 29th Avenue
Hollywood, Florida 33020
(305) 926 1700 Fax: (305) 921 1878

August 6, 1990

San Francisco International Airports Commission
Hon. Morris Bernstein, President
Hon. Z.L. Goosby, Vice-President
Hon. Donald R. Stephens
Hon. Sharon B. Duvall
Hon. Patrick A. Murphy

Honorable Members Of The Commission,

We seek your approval for a pre-bid conference to allow additional on-airport operators at San Francisco International Airport. We believe that having additional on-airport operators benefits both the Airport and the operators themselves in the following manner:

1. Increase in revenues. The Airport would receive an additional 3% of existing revenues plus 10% of incremental revenues generated from being on-airport. We would conservatively value this at \$250,000 in additional revenue for the Airport per annum if we were allowed counter space at the terminals.
2. Additional choice for the consumer. We believe it in the best interests of the travelling public to have as wide a choice of services available on-airport as possible.
3. Consumer convenience. Particularly for the leisure customer. Allowing us to serve our customers on-airport allows a much faster turn around time since we can complete the documentation required at the same time they are waiting for their baggage to arrive.

Sincerely,

Peter Green
City Manager
San Francisco



We feature quality products of Chrysler Motors
like this Chrysler LeBaron convertible

45
2770

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

AUGUST 21, 1990

ART AGNOS, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

August 21, 1990

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| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Regular meetings of June 19, 1990 and June 3, 1990 | 90-0147 | 3 |
| D. | | DIRECTOR'S REPORTS: | | |
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| E. | | ITEMS INITIATED BY COMMISSIONERS: | | |
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| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
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| | 3. | American Airlines Plot 40 - Approve Option and Modify Rental Rate | 90-0148 | 4-5 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Design Approval - Pacific Bazaar | 90-0149 | 5 |
| | 5. | The Parry Contract | 90-0150 | 5 |
| | 6. | Award of Contract No. 2318: Runway 28L | 90-0151 | 5 |
| | 7. | Approve Modification of Rental Rate for Land and Improvements Lease to Northwest Airlines, Inc | 90-0152 | 5 |

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| | 8. | Approval of Claims Settlements | 90-0153 | 5 |
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| I. | | CORRESPONDENCE: | | |
| | | Albert Electric | | 8 |
| J. | | CLOSED SESSION: | | |
| | 10. | Employee Discipline | | 8 |
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Minutes
of the
Airports Commission Meeting

August 21, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:02 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Patrick A. Murphy

Absent: Sharon B. Duvall

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of June 19, 1990 and July 3, 1990 were adopted by order of the Commission President.

No. 90-0147

* * *

D. DIRECTOR'S REPORTS:

1. Report on Lease Option Policy

Mr. Lou Turpen, Airport Director, said that this item was put over from the last meeting. It addresses the criteria which staff might employ to evaluate the appropriateness of a lease option when awarding certain concession contracts at the Airport as opposed to a straight lease. He said that if the Commission is in agreement staff would return with item formulated as a policy.

Commissioner Murphy said that he had trouble understanding the conditions listed on page two of the memo. He said that the one that troubled him the most was the condition that read: "In order to encourage bidder participation for concessions where the amortization of capital expenditures will require a longer term." He said that as he understand lease options, the lessee has no right to renew. The right to renew is solely at the discretion of the Commission. He did not know that lessees would expect to be able to amortize capital expenditures under those circumstances. He said that he was concerned that lessees or concessionaires will have some sort of a

commitment to grant them the option because they have committed to a capital expenditure program that can't be amortized in the original term of the lease. He said that in the law there are concepts that fall under equitable estoppel, where someone is allowed to enter an expenditure of this sort, for example, without saying anything. He was concerned that the argument could be made that by having permitted them to enter into this capital expenditure we would be committed to exercise the option whether or not we wanted to.

Mr. Turpen said that this was an attempt to capture a set of criteria which might govern staff's recommendations to the Commission of a lease option alternative. Rather than do that, he said he would like to return to what has been done traditionally, i.e., if staff believes a lease option is appropriate, or when staff requests the right to conduct a pre-bid conference the appropriateness of a specific issue can be debated rather than trying to establish some broad brushed parameters.

Mr. Turpen said that he would like to shelve it for a few months and ressurect it if it becomes appropriate. In the meantime staff will continue with the traditional practice.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein asked Mr. Turpen to calendar a reconsideration of a merchandize assistant to assist small/minority businesses.

Mr. Turpen said that he would calendar it for the next meeting.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item no. 2 was put over.

2. Authorization to Conduct Pre-Qualification Process:
Airport Public Automobile Parking Facilities Operating Agreement

Resolution authorizing staff to
conduct the pre-qualification process
for the Airport Public Automobile
Parking Facilities Operating Agreement.

Commissioner Stephens asked that this item be put over, feeling it appropriate that all Commissioners be present for the discussion.

Mr. Turpen said that he would recalendar it for the next meeting.

Item no. 3 was adopted unanimously.

3. American Airlines Plot 40 - Approve Option and Modify Rental Rate

No. 90-0148

Resolution approving American's
exercise of its option and the
modified rental rate for Plot 40.

Mr. Turpen explained that the rental rate is going to be adjusted on an interim basis pending the outcome of negotiations. He said that American has agreed to pay the higher rate. The disputed rate is part of some other negotiations going on with respect to American Airlines and other property issues. He said that he hoped to tie it all up and bring it back to the Commission in the next two to three months.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

4. Design Approval - Pacific Bazaar

No. 90-0149 Resolution approving design of Pacific Bazaar concession.

5. The Parry Contract

No. 90-0150 Contract for the Parry Company to produce four noise impact area contours to be used on the Quarterly Report and at the Airport Roundtable. The contract also provides for appearances by representatives from the Parry Company to substantiate the noise contours (\$30,000).

6. Award of Contract No. 2318:
Runway 28L

No. 90-0151 Resolution awarding Contract No. 2318, Runway 28L pavement grooving (West-end) to Hunt PSI Corp. in the amount of \$79,144.50.

7. Approve Modification of Rental Rate for Land and Improvements Lease to Northwest Airlines, Inc.

No. 90-0152 Recommendation for Director of Airports to increase building and land rental rates.

8. Approval of Claims Settlements

No. 90-0153 Resolution approving the settlement of claims not exceeding \$5,000.00 for the period January 1990 to July 1990. Total Claims: \$20,645.00.

* * *

H. NEW BUSINESS:

9. Presentation by Black Chamber of Commerce

The following is a verbatim transcript of Item No. 9.

Mr. Turpen: Do we have a representative of the Black Chamber of Commerce here? If you could provide your name, affiliation and speak into the microphone, please.

Mr. Kevin Williams: My name is Kevin Williams and I'm with the San Francisco Black Chamber of Commerce.

This morning Commissioners we'd like to address some specific concerns. My purpose this morning is to bring to the Commission's attention the strong concerns relating to the low level of Black participation in Airport contracts. First, it is the Chamber's contention that the Airport, in substantial part, has no proactive program other than a so-called equal opportunity program. Other agencies of the City, in view of ... (unintelligible) ... have issued and adopted statements limited to mere good faith efforts to achieve certain results. Secondly, statistics released by the Human Rights Commission reflecting 1.7 percent Black participation city-wide is also inclusive of dismal Airport contracts that are awarded to Blacks in areas related to architectural engineering and consulting, including construction contracts. These data reflect that so-called good faith efforts have failed. A further illustration of this rests in your own data of major contract awards in the area of construction covering fiscal year '88/'89 wherein 74 contracts were issued totaling \$24-million. Black contractors received two contracts for just \$118,000.00, representing one half of one percent. According to the Airport's 1989 list of approximately 260 franchises, concessions and leasing tenants, a total of just eight, or 3 percent, are held by Human Rights Commission certified minorities and women. Eighty percent of the Airport's tenants are from outside of San Francisco. Blacks and Hispanics, individually and respectively, represent a mere 0.3 percent, and women, 1 percent of the total number of Airport tenants as of the first quarter of 1989.

With respect to your own departmental data covering fiscal year '88/'89, there is uncontestable proof of the Airport's disproportionately lower contract awards to Blacks then the available number able to contract services to the City.

The Board of Supervisors and the Human Rights Commission concluded that inferences of discriminatory procurement practices may be drawn from statistical data on MBE/WBE awards in 1983, 1984, at the time the prior ordinance was passed. This conclusion was again affirmed in 1988 and in 1989 upon the enactment of the present ordinance last July.

Section 12D, paragraph A, subsection 2 states, and I quote:

The evidence before this Board relating to the award of prime public works construction contracts for fiscal year 1987 and 1988 reflects that MBEs, each ethnic group identified as minority, and WBEs continue to be awarded contract dollars in amounts disproportionately lower than the available number of MBE and WBE prime public works construction contractors willing and able to perform City construction work. These results cannot be attributed to chance. In light of the testimony before

this Board and Commission, in 1983, 1984, 1988 and 1989 this Board finds that these results can only be attributed to discriminatory procurement practices.

Notwithstanding the numbers, there are numerous discrimination complaints lodged by Blacks against the Airport and at least one lawsuit in the case of one Black contractor, Albert Electric. Certainly this is an indication that cries out for action by this Commission.

A third concern we have is that the Airport administration has intentionally used FAA funding and FAA rules as a cloak to avoid local preferences. This has been done illegally. The Airport has taken the position on at least \$11-million in contracts that we know of that bid preferences to MBE/WBE/LBE, under the ordinance, did not apply when they should have. US Congressman Ronald B. Dellums, the author of the Surface Transportation Act, has investigated this matter and has been in direct communication with the Mayor two times. I will be happy to provide those letters of correspondence to you later. I won't bore you with the mundane details of that. To that end we called for an independent assessment of the situation, Commissioners, so that the issues that have been raised may be satisfied. Such an impartial assessment is critical in as much as Airport management and its legal counsel is critically implicated so that this Commission may exercise its rightful policy overview of management since the Commission bears full and ultimate responsibility in the public's interest for fair and objective disposition of the critical concerns of the business community.

With that I'd like to thank you very much for the opportunity to appear here this morning. I'm certain that some of these statistics, some of these concerns may surprise you but in the Black business community they need contracts ... contracts will not do. The Black community has said that they buy airplane tickets and they deserve to be represented by what they spend and what they provide by way of dollars to the Airport. It's a fair exchange and a fair return. Thank you.

Commissioner Goosby: Would you send us copies of that.

Mr. Williams: I certainly will.

Mr. Turpen: Thank you, very much.

Commissioner Bernstein: Would you want to answer him now.

Mr. Turpen: No.

Commissioner Goosby: Let's get the written document.

Mr. Turpen: I think that's right.

Commissioner Bernstein: Thank you, Mr. Williams.

* * *

I. CORRESPONDENCE:

Mr. Dennis Bouey, Deputy Director of Facilities Operations and Maintenance, said that yesterday he sent the Commission a memo regarding Albert Electric Co. and contract 1011B.1. He said that Anderson Pacific, the prime on that contract has once again asked to substitute Albert Electric with another electrical subcontractor. The reason is Albert's continued failure to complete their portion of this contract in a timely fashion, there non-attendance at the work site, and their continued failure to meet promised deadlines. He said that Albert has five business days to respond to the substitutions. The fifth business day is close of business tomorrow. As of yesterday evening we had not heard from Albert. He explained that whether Albert protests the substitution or not it will require a meeting of the Commission to approve the substitution or hear the protest should Albert Electric wish to do so.

Commissioner Goosby noted that the Human Rights Commission has recommended that the substitution be approved. He asked if the Commission could approve it today.

Mr. Bouey responded that Albert Electric has five days in which to respond after which time the Commission must meet and either hear the protest or approve the substitution.

Commissioner Goosby asked if the prime contractor was holding Albert's money.

Mr. Bouey responded that the City is holding the money back. He said that at this point there is more in stop notices against Albert Electric than he has money coming for the remaining portion of his contract. In effect, the prime contractor will have to eat a certain amount of money ... between \$25,000 and \$50,000. He presumed that Anderson Pacific will go to Albert's bonding company for that money.

* * *

J. CLOSED SESSION:

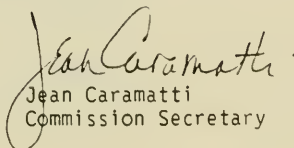
10. The Airports Commission will go into Closed Session, pursuant to Government Code Section 54957 to consider employee discipline.

The Commission did not go into closed session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:22 AM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

SEPTEMBER 4, 1990

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

September 4, 1990

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| A Court Reporter's transcript of this meeting is available upon request. | | | | |
| A. | | CALL TO ORDER: | | 3 |
| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Regular meetings of August 7 and August 21, 1990 | 90-0154 | 3 |
| D. | | DIRECTOR'S REPORTS: | | |
| | 1. | Moratorium on Issuing Airport Permits to Firms Proposing to Operate Door-to-Door Service Between the Airport and San Francisco | | 3 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | |
| | | Art Store at the Airport | | 3 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Anderson Pacific Engineering Inc.'s Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Airport Contract No. 1011B.1 | 90-0155 | 4 |
| | 3. | Authorization to Conduct Pre-Bid Conference - Limousine Service Operating Agreements | 90-0156 | 4 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Declaration of Emergency - Contract No. 2354 - Electrical Power Cable Splice Failure - Cable 12MTR-1 | 90-0157 | 4 |
| | 5. | Bid Call - Contract No. 2347 - North Terminal Terminal Stairway Repair | 90-0158 | 4 |

| | | | |
|----|--|---------|---|
| 6. | Award of Contract No. 1864 - Road R-5 Reconstruction and Overlay | 90-0159 | 4 |
| 7. | Hold Harmless Agreement with the City of San Mateo for Airport Police Motorcycle Training | 90-0160 | 4 |
| 8. | Hold Harmless Agreement with the State of California for Airport Police Commercial Reinforcement Training | 90-0161 | 5 |
| 9. | Resolution Ratifying Personnel Actions | 90-0162 | 5 |
| H. | NEW BUSINESS: | | |
| | Problems with MBW Program | | 5 |
| | Cal Train Link with Airport | | 5 |
| I. | CORRESPONDENCE: | | 5 |
| J. | ADJOURNMENT: | | 5 |

Minutes
of the
Airports Commission Meeting

September 4, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Patrick A. Murphy

Absent: Donald R. Stephens
Sharon B. Duvall

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of August 7 and August 21, 1990 were adopted by order of the Commission President.

No. 90-0154

* * *

A complete court reporter's transcript of the meeting is available upon request.

D. DIRECTOR'S REPORTS:

1. Moratorium on Issuing Airport Permits to Firms Proposing to Operate Door-to-Door Service Between the Airport and San Francisco

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein asked the Director to look into the possibility of installing a museum-type art store at the Airport.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item no. 2 was adopted unanimously as amended.

2. Anderson Pacific Engineering Construction Inc.'s Request to Substitute Albert Electric Company, Inc., Electrical Subcontractor on Airport Contract No. 1011B.1

No. 90-0155

Item No. 3 was adopted unanimously.

3. Authorization to Conduct Pre-Bid Conference - Limousine Service Operating Agreements

No. 90-0156

Recommendation to adopt resolution authorizing staff to conduct pre-bid conference for two limousine service operating agreements.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

4. Declaration of Emergency - Contract No. 2354: Electrical Power Cable Splice Failure - Cable 12 MTR-1

No. 90-0157

Resolution ratifying the action of the President of the Commission in declaring an emergency and authorizing the immediate start of work to replace the failed electrical power cable splices.

5. Bid Call - Contract No. 2347: North Terminal Stairway Repair

No. 90-0158

Resolution approving the scope, budget and schedule for Contract No. 2347, and authorizing the Director of Airports to call for bids when ready.

6. Award of Contract No. 1864: Road R-5 Reconstruction and Overlay

No. 90-0159

Resolution awarding Contract No. 1864 to Ghilotti Bros., Inc. in the amount of \$298,892.00.

7. Hold Harmless Agreement with the City of San Mateo for Airport Police Motorcycle Training

No. 90-0160

8. Hold Harmless Agreement with the State of California for Airport Police Commercial Reinforcement Training

No. 90-0161

9. Resolution Ratifying Personnel Actions

No. 90-0162

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

H. NEW BUSINESS:

Mr. Leroy Albert of Albert Electric spoke about problems with the MBE program at the Airport.

Dr. Nancy Jewel Cross of Clean Air Transport Systems spoke about the CalTrain connection to the Airport.

* * *

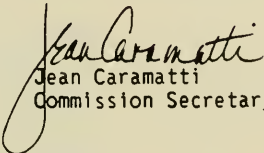
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:10 AM.


Jean Caramatti
Commission Secretary

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2
8/90

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

September 18, 1990

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

SHARON B. DUVALL

PATRICK A. MURPHY

J. STANLEY MATTISON

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

September 18, 1990

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| A court reporter's transcript of this meeting is available upon request. | | | | |
| A. | | CALL TO ORDER: | | 3 |
| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Regular meeting of September 4, 1990 | 90-0163 | 3 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 3 |
| E. | | DIRECTOR'S REPORTS: | | |
| | 1. | Review of Airport Commission's Mass Transit Policy, Resolution No. 83-0339 | | 3 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Airport Public Automobile Parking Facilities Operating Agreement - Authorization to CONduct Pre- Qualification Process | 90-0164 | 3 |
| | 3. | Rejecting All Bids - Contract No. 1559D - Taxiways 'E' and 'M' Overlay and Reconstruction | 90-0165 | 4 |
| | 4. | Duty Free Shoppers, Ltd - Modification to International Terminal Principal Concession Lease | 90-0166 | 4 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 5. | Changing of Deak International Limited's Corporate Name to Thomas Cook Foreign Exchange, Inc. and Use of "Thomas Cook" as its Trade Name | 90-0167 | 4 |

| | | |
|----|--|---|
| 6. | Modification No. 5 to Agreement with Hanson, Bridgett, et al - \$150,000.00 | 4 |
| H. | PUBLIC HEARING: | |
| 7. | Hearing on Increase in Public Parking Rates | 4 |
| 8. | Hearing on a Proposed Amendment to the Airport's Rules & Regula- tions Requiring Inspection of all Vehicles with Less than Ten Seats Operated by Ground Transportation Permittees | 5 |
| I. | NEW BUSINESS: | 5 |
| J. | CORRESPONDENCE: | 5 |
| K. | ADJOURNMENT: | 5 |

Minutes
of the
Airports Commission Meeting
September 18, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Sharon B. Duvall |
| | Patrick A. Murphy |
| | J. Stanley Mattison |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 4, 1990 were adopted by order of the Commission President.

No. 90-0163

* * *

A court reporter's transcript of this meeting is available upon request.

D. DIRECTOR'S REPORTS:

1. Review of Airport Commission's Mass Transit Policy, Resolution No. 83-0339

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

2. Airport Public Automobile Parking Facilities Operating Agreement - Authorization to Conduct Pre-Qualification Process

| | |
|-------------|---|
| No. 90-0164 | Resolution authorizing staff to conduct the pre-qualification process for the Airport Public Automobile Parking Facilities Operating Agreement. |
|-------------|---|

3. Rejecting All Bids - Contract No. 1559D
Taxiways 'E' and 'M' Overlay and Reconstruction

No. 90-0165

Resolution rejecting all bids for Contract No. 1559D, Taxiways 'E' and 'M', Overlay and Reconstruction, and authorizing the Director to call for rebid when ready.

4. Duty Free Shoppers, Ltd. - Modification to International Terminal
Principal Concession Lease

No. 90-0166

Resolution modifying Duty Free Shoppers, Ltd.'s International Terminal Principal Concession Lease.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

5. Changing of Deak International Limited's Corporate Name to Thomas
Cook Foreign Exchange, Inc. and Use of "Thomas Cook" as its Trade Name

No. 90-0167

Resolution consenting to Deak International Limited changing its corporate name to Thomas Cook Foreign Exchange, Inc. and consenting to their doing business under the trade name "Thomas Cook".

Item No. 6 was put over to the meeting of October 2, 1990.

6. Modification No. 5 to Agreement with Hanson, Bridgett, et al -
\$150,000.00

Resolution approving and authorizing Modification No. 5 to Agreement with law firm of Hanson, Bridgett, Marcus, Vlahos & Rudy to increase compensation payable by the sum of \$150,000.00.

* * *

H. PUBLIC HEARING:

The public hearing on Item No. 7 was opened at 10:36 AM and closed at 10:38 AM, there being no comments from the public.

7. Hearing on Increase in Public Parking Rates

The public hearing on Item No. 8 was opened at 10:39 AM and closed at 10:39 AM, there being no comments from the public.

8. Hearing on a Proposed Amendment to the Airport's Rules and Regulations Requiring Inspection of All Vehicles with Less Than Ten Seats Operated by Ground Transportation Permittees

The Airports Commission is being asked to hold a public hearing on a proposed amendment to the Airport's Rules and Regulations requiring all ground transportation permittees operating vehicles with less than ten passenger seats to have these vehicles inspected annually by either the California Highway Patrol or the Airport Police.

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:39 AM.


Jean Caramatti
Commission Secretary

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2/90

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

OCTOBER 2, 1990

ART AGNOS, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

October 2, 1990

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Minutes
of the
Airports Commission Meeting

October 2, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:04 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Patrick A. Murphy
J. Stanley Mattison

Absent: Sharon B. Duvall

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 18, 1990 were adopted by order of the Commission President.

No. 90-0168

* * *

D. SPECIAL ITEM:

The following item was adopted unanimously.

1. Election of Officers

No. 90-0169

Commissioner Murphy nominated Commissioners Bernstein and Goosby as President and Vice President, respectively. Commissioner Mattison seconded the nomination.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mattison asked Mr. Turpen to clarify the current proposed BART configuration.

Mr. Turpen said that that item could be taken up under New Business.

* * *

G. PENDING LEGISLATION:

Mr. Turpen said that the Commission should have received a memo from Angela Gittens concerning State legislation. He said that AB 3147, which makes it a misdemeanor to trespass on the airfield, was carried for the Airport by Assemblywoman Speier and signed into law by the Governor.

The Airport's amendments to AB 1506 regarding limousine operations, were accepted and signed into law by the Governor.

The bill concerning off-Airport rent-a-cars, AB 2491, was opposed by the Airport and vetoed by the Governor.

Senator Kopp's bill, SB 2405, the noise nuisance bill, was opposed by the Airport and vetoed by the Governor.

Senator Roberti's bill, SB 2255, prohibiting discrimination in the allocation of gates and in effect allowing the State to take over the allocation of Airport gates was opposed by the Airport and vetoed by the Governor.

Senator Roberti's bill, SB 1723, was opposed by the Airport and failed in the Assembly.

Mr. Turpen said that last Thursday the Board of Supervisor's Committee heard Senator Kopp's proposed resolution on a BART extension to the Airport. That item was put over to the call of the chair. He sensed that the feeling of the Committee was that they would prefer to see further information from MTC and not act precipitously in the matter.

Mr. Turpen said that 3094 was introduced in the U.S. Senate last night. This bill would reverse US aircraft noise policy, nullify local airport operator's noise rules and place liability for noise damages with the Federal Government. This would all be tied to a passenger facility charge. The bill is being sponsored by Senator Ford.

Mr. Turpen explained that as he had to be on record by noon today, Washington time he has gone on record as opposing this legislation. He said that the passenger facility charge is not a particularly attractive mechanism to SFO because its structure does not allow for any transfer of funds beyond the Airport to the owning agency. Furthermore, superceding Airport's Commission Rules and Regulations concerning noise would create a very difficult local environment. He said that although the Federal Government would be responsible, the Airport would be held accountable. If we are going to be held accountable by the people in the area we need to be responsive to them and to do that we need local controls. He objected to the provisions as they would nullify local noise regulations and in effect cause everything we've done over the past several years with respect to the Q707, Stage II aircraft to go by the wayside.

Mr. Turpen said that the Commission's position on this issue is clear and he will keep them advised as this progresses. He explained that this was a recent event and there have been no public hearings or Senate hearings on this issue. He said that this bill will casually set aside every noise regulation in the U.S. and it is a very serious matter.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was adopted unanimously.

2. Adoption of an Amendement to the Airport's Rules and Regulations Requiring Inspection of All Vehicles with Less Than Ten Seats Operated by Ground Transportation Permittees

No. 90-0170

The Airports Commission is being asked to adopt an amendment to the Airport's Rules and Regulations requiring all ground transportation permittees operating vehicles with less than ten passenger seats to have these vehicles inspected annually by either the California Highway Patrol or the Airport Police.

Item No. 3 was put over to November 4, 1990.

3. Adoption of Increases in Public Parking Rates

Resolution authorizing increases in the Garage and Lot D parking rates.

Commissioner Murphy said that he has some questions and concerns and asked that the item be put over.

Mr. Turpen said that it could be put over to the November 4 meeting.

Item No. 4 was adopted unanimously.

4. Award of Airport Contract No. 2160: In-Transit Lounge, I.T.

No. 90-0171

Resolution awarding Contract No. 2160 to KMF Associates in the amount of \$208,828.00.

Mr. Turpen said that Qantas agreed to move its VIP Club to the fourth floor of the International Terminal, allowing the Airport to pave the way to create an in-transit lounge. He said that transiting international passengers is a new occurrence at SFO. It began with UTA's Tahiti to Paris flight. He said that as Pacific traffic grows, transit hubbing will grow. He explained that these passengers, in effect, will not be in this country when they are in this room. He said that the lounge will be located downstairs in the International Terminal where the airline club lounges are located.

Commissioner Goosby asked if KMF was new.

Mr. Dennis Bouey, Deputy Director for Facilities Operations and Maintenance, responded that this is their first contract with the Airport.

Commissioner Goosby asked if they were a local company.

Mr. Bouey responded that they are a local company but they have not yet applied for LBE certification. He said that his staff has sent KMF a letter urging them to apply for certification as it would be in their best interest.

Commissioner Goosby assumed that LBW/MBE/WBE still plays a role in construction contracts but not on concession contracts.

Mr. Bouey responded that that was correct.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 5 was adopted by a 3-1 vote, with Commissioner Goosby casting the dissenting vote.

5. Modification No. 5 to Agreement with Hanson, Bridgett, Et Al -
\$150,000.00

No. 90-0172

Resolution approving and authorizing Modification No. 5 to agreement with law firm of Hanson, Bridgett, Marcus, Vlahos & Rudy to increase compensation payable by the sum of \$150,000.00

Commissioner Goosby said that the Airport is not making the progress in this area that is being made in other areas of the Airport and he felt that it was due to a lack of commitment. He said that some of the contracts assigned to Hanson, Bridgett could have been assigned to Arnelle and Hastie. He further stated that if there are problems with Arnelle and Hastie the Airport should hire another firm. He said that in all his years in City government he has never been an advocate of any particular minority firm.

Commissioner Mattison concurred with Commissioner Goosby's observations and seconded any efforts towards increasing the Airport's focus in that area. He did not, however, conclude to move against this item nor did he see it as a necessary precedent to reallocation at this time.

Mr. Turpen said that staff can respond to Commissioner Goosby's concerns very effectively in the next few weeks.

Item nos. 6 through 11 were adopted unanimously.

6. Reimbursement to American Airlines for Canadian Airlines
International Ltd. Relocation Costs

No. 90-0173

Resolution approving reimbursement to American Airlines for expenses incurred relocating Canadian Airlines Ltd.

7. Award of Contract No. 2298:
International Terminal Fifth Floor Alteration

No. 90-0174

Resolution awarding Contract No. 2298, International Terminal Fifth Floor Alteration, to Agbagani Construction, Inc. in the amount of \$127,600.00.

8. Award of Contract No. 2331:
Silt Removal 1990

No. 90-0175

Resolution awarding Contract No. 2331 to Covey Trucking Company in the amount of \$60,060.00

9. Bid Call - Airport Contract No. 2281

No. 90-0176

Resolution to approve the scope and budget and authorize the Director to call for bids on the subject contract. The contract calls for a new lighting system and telephone service to the Police Range and Superbay Gate.

10. North Terminal Executive Stationery Store - Design Approval

No. 90-0177

Resolution approving design of North Terminal Executive Stationery Store.

11. Resolution Ratifying Personnel Actions

No. 90-0178

* * *

I. NEW BUSINESS:

Commissioner Bernstein said that he recently received a letter from the Art Commission indicating that they were going to use the Adam's tapestry and asked why.

Mr. Turpen responded that the Adam's tapestry will be on loan to the Art Commission for display and will return to the Airport at another appropriate location. He explained that one reason for the loan is due to a space problem being created by the development of the United Airlines hub ... they have some lounge space requirements that can't be met. Rather than create a lounge space with that tapestry secluded from public view, Jason Yuen arranged for a loan of the tapestry on a temporary basis to accommodate the construction of the United lounge and to keep it on public display until such time as another appropriate installation site could be found.

Commissioner Bernstein asked how long the Art Commission will have the tapestry.

Mr. Turpen responded that he did not know. He said that Mr. Yuen or John Costas would probably know, but they were not present. He told Commissioner Bernstein that he would get back to him.

Commissioner Bernstein asked if the Airport has loaned art pieces before.

Mr. Turpen responded that he was not certain what the policy has been. He said that the City owns the art and it is managed by the Art Commission.

Commissioner Bernstein wanted this issue placed on each Airport calendar until it is resolved. He said that in addition to the obvious monetary value of the pieces, they provide a great deal of pleasure to the traveling public.

Commissioner Goosby asked where the tapestries were being placed.

Mr. Turpen responded that Jason Yuen is the Airport's Art Commission liaison and he has worked with the Art Commission on this matter. He said that Mr. Yuen told him where the location was but he could not remember.

Commissioner Murphy asked when the tapestries would be returned to the Airport.

Mr. Turpen responded that he did not remember ... it could be a year or two.

Commissioner Murphy felt that loans of this sort are best done for a period of time as opposed to being open ended.

Mr. Turpen said that it was his understanding that it was for a period of time, but he just can't remember.

Commissioner Murphy asked that care be taken to specify a period of time.

Mr. Turpen said that he will get back to the Commission.

Commissioner Mattison said that the intent was that the BART terminus would go to the terminal underground, stop, and go along the northern trace, costing about \$300-million more than a full service in-line BART station on the alternative right of way. Senator Kopp made it very clear that throughout the years in which this was discussed it was never the intent that BART end at the Airport but rather that there be a logical flow egress, with its feasibility to be left for future generations to decide.

Commissioner Mattison asked Mr. Turpen to ask the BART Board if they envisioned utilizing the dead end spur as it is currently configured as a normally operating scheduled BART station, and if so, try to get some insight as to how that can physically be accomplished. He said that he did not understand how, in the normal course of BART service down the Peninsula, it can veer off, go to a dead end, stop and then somehow get trains back onto the main line, and do that with trains coming both North and South. He said that if the BART Board says it can be done for an extra \$300-million and this is how it will work, it would be a helpful insight. If the BART Board says that it has always been envisioned that some day a plan would be devised which would get the trains back out through the already constructed southern part of the Airport and back to the main line, then we are not talking about a \$300-million difference, we are talking about \$300-million to get in and x to get out. He said that he needs to know what x is. If the Airport is to be a continuation station, which is probably envisioned for southern Peninsula traffic, then the equation must be balanced with two equally serviceable alternatives.

Mr. Turpen said that he would be happy to make that request and return to the Commission.

Commissioner Goosby said that according to a letter recently received from a Sacramento architect, no underpinnings were placed under the South Terminal for an exit.

Commissioner Mattison said that the architect also made the observation that during the time the North Terminal was being built, no thought had been given as to how to get the trains back out to the South.

Commissioner Murphy said that in a recent letter he received from a local landscape architect, the observation was made that if this was going to be done it should run through the Airport and down to Millbrae. He said that it is hard to argue with that logic, but this is a matter of cost and no one has the faintest idea what that cost will be. He felt that the people the Airport has been dealing with recently don't much care. He suggested that this issue would be best taken up with MTC as well as BART. He commented that he has not found BART's attitude to be particularly constructive.

Commissioner Mattison agreed and would only look to them for operational comments. He said that they may have decided that they can somehow operate with this sort of configuration but he does not understand it.

Commissioner Murphy felt that it would have to be some sort of spur going out of the Tanforan station.

Commissioner Goosby said that the Airport has not yet seen figures that would include rejoining the main line.

Commissioner Murphy said that passengers will be happily commuting by train down the Peninsula from the Airport while the BART extension is still being discussed.

Mr. Turpen said that he would be happy to communicate with BART and MTC on behalf of the Airports Commission.

Mr. Tim Treacy, San Francisco Airport Noise Committee, said that his Committee has not yet made a recommendation to the Board of Supervisors regarding the present state of the runway reconfiguration study, nor has the Board of Supervisors adopted a position.

Mr. Treacy said that his Committee received a copy of the initial draft and they provided comments to Airport staff by letter dated August 14, 1990. He said that the document received is an executive summary of the runway reconfiguration study and they are disturbed by what the study omits rather than what it summarizes. The study is candid in stating, with respect to the Peninsula communities, if the proposed alternatives are undertaken there will be an enhancement of the quality of life on the Peninsula, increased home values and increased safety. He said that the report is also candid in stating that this will come at the expense of San Francisco residents. The report gives no further consideration to the problems that will result in San Francisco if any of these favored alternatives are adopted.

Mr. Treacy said that they are disturbed that the Airport would go ahead with a report that admits, in its initial stages, that there the results to San Francisco residents will be detrimental and adverse and then proceeds to dismiss that as a further concern in the report. He said that if there is a perceived safety problem he did not understand how the Commission could undertake a study that would simply transfer that safety problem from the Peninsula to San Francisco. Secondly, they are also concerned that property values in their neighborhoods will go down as a result of this. He said that any economic benefits to San Francisco derived from increased traffic and operations will have to be considered along with the adverse impact on property values. The depreciation effect has been substantiated by studies throughout the country and is conceded in the first draft of the report.

Mr. Treacy said that in the past Airport staff and Commission have stated that they would never support a noise abatement policy that simply shifted noise from one area to another, yet the initial draft is candid that that is exactly what will happen.

Mr. Treacy urged the Commission to instruct staff to consider the impact on San Francisco and attempt to work with the Noise Committee, the FAA and other individuals in seeking some satisfactory solution to this problem.

Mr. Curt Holtzinger, Airport Noise Committee, said that the executive summary states that what is happening is the gap departures, which carry the heavy 747s heading to the Pacific, would be eliminated and that traffic would be shifted onto a new extended runway 1 and point them up the Bay. The executive summary stops there. The aircraft must turn west over San Francisco and that is the problem the Committee is having. The executive summary omits that fact.

Mr. Holtzinger said that the study projects what the noise levels will be under the new reconfiguration. In San Francisco the noise levels will go up substantially. The standard comparison in the document is if we do nothing this is the noise level, and if we do the reconfiguration this is the noise level. Another comparison is what is the noise level today. On that basis, the noise level at the monitors that are chosen in San Francisco will go up.

Mr. Holtzinger said that they have tried to work with the staff and in the past the staff has addressed their concerns, although not to the degree that they would like.

Commissioner Goosby asked if they have talked with the company that did the survey.

Mr. Holtzinger responded that they attended the public hearing and talked with them.

Commissioner Goosby said that he has always assumed through discussions that aircraft would continue up the Bay past the Golden Gate Bridge and turn left when it got out over the ocean.

Mr. Holtzinger said that they have asked the FAA to fly that pattern since the aircraft began flying over their neighborhoods in early 1986 and 1987 and the FAA told them that they could not do that. Quoting from the study he said that "... Each of the alternatives that provide a large reduction of the noise impact area in the San Bruno gap achieve the reduction by changing runway utilization, i.e. shifting long haul operations from runway 28 to runway 1." He said that aircraft will be diverted from the gap, which is where the original Mills Field pointed, thus shifting noise from traditional neighborhoods into neighborhoods that have traditionally been quiet. Continuing to quote from the report, Mr. Holtzinger said ... "It can be anticipated that the frequency of flights over San Francisco will increase." In reference to another study, "A considerable amount of aircraft noise could be moved from the Millbrae/ Burlingame area to a new runway 1, i.e. up the Bay and over San Francisco. And further, with the potential for increasing overflights over San Francisco." Finally, when it refers to the four scenarios which are put forward for further study it states that overflights will increase in San Francisco. They further show that these aircraft cannot reach an altitude where the noise would be significantly less. These are big, heavy aircraft.

Commissioner Goosby assumed that they cannot reach that altitude fast enough.

Commissioner Mattison assumed that the differential might be 1,000 feet and they'd be at 4,000 feet by the time they reached Treasure Island.

Mr. Holtziner said that he doubted that they'd be at 4,000 feet. Interpolating from the data they would be at from 3,500 to 4,000 feet across San Francisco.

Mr. Mattison assumed that if they did go further north, by the time they reached San Francisco and the Golden Gate Bridge they would be at 4,000 or higher.

Mr. Holtziner said that they may be. He said that one of the problems the Committee has with the study is that those issues are not addressed and the FAA's original response was they can't get involved in this and make any agreement. The FAA will not commit to putting the larger aircraft onto runway 28 and not turning them left until they are well above the Golden Gate. That would be acceptable to the Committee. The FAA has been asked to do that with the current configuration and they responded that they could not do it.

Mr. Holtziner said that the study indicates that these aircraft could not get high enough to reduce the noise significantly.

Mr. Holtziner said that there is also a safety issue involved with aircraft going through the gap, however, the gap is much less densely populated than San Francisco, one of the most densely populated cities in the country. Which is better from a safety perspective is difficult to say.

Commissioner Murphy said that if x is the present amount of noise in the effected areas of San Mateo County, Mr. Holtziner seems to be telling the Commission is that there will be approximately x here which is counter intuitive.

Mr. Holtzinger said that it will not reach the same levels as in San Mateo County, however, it will increase the amount of noise San Francisco experiences today. The 1986 scenario was up to 4 decibels. The southern monitors are now up to about 62 and the more northern neighborhoods are about 52 or 53.

Commissioner Murphy asked what the noise levels are in San Mateo County.

Mr. Holtzinger responded that some of those monitors register in the 60 range. It is probably higher through the gap ... around 67 or 68.

Mr. Holtziner said that the Committee was told that this study is to abate noise and the goal of the Commission is to have a zero population impact under State regulations. Another way to achieve that goal is through insulating the 4,000 impacted homes. Were this Commission to commit to insulating the 4,000 homes currently within the 65 cnel, under State law the Airport will have zero impact and it would be significantly less expensive than this proposal.

Commissioner Goosby asked if the people in the effected Peninsula communities were satisfied with the insulation program. He said that insulating the home does not help outside activities.

Mr. Holtzinger said that he serves on the Roundtable as the Board of Supervisors representative and while he hesitates to speak for people on the Peninsula his general impression is that they look favorably on the insulation program. One member from his Committee raised the question about the program's effectiveness and the response from both the public and members of the Roundtable was that they were very in favor of it. He added that Burlingame and Millbrae are behind runway 1 and may not benefit very much from it as the backblast issue has not been addressed and aircraft on that runway point their tail end in their direction.

Mr. Turpen said that the runway reconfiguration study is in its first phase of an effort to identify whether there is any physical reconfiguration of runways which would reduce the noise impact to zero for those homes in the 65 cnel area. As Mr. Holtziner correctly stated, four alternatives were identified as accomplishing that. The next step will evaluate those alternatives environmentally and costwise. At this point, because of the concerns raised about minimum crossing altitudes, differences in levels and the resulting differences in noise, staff has agreed to conduct, along with the consultant, further analyses into those questions. He said that this months meeting of the Airport Community Roundtable Subcommittee was cancelled. It was at that meeting that questions were to be formulated and transmitted to him, and ultimately to the consultant so that the consultant might return to the Roundtable with his answer in December. He expected that it would be January before the consultant would have the opportunity to respond to the Community. He said that some of those issues have been raised by Mr. Treacy and Mr. Holtziner. Lastly, he would not expect the Roundtable to make a recommendation to the Airport's Commission as to whether or not to proceed with the next phase of the study until some time in the first quarter of 1991.

Mr. Turpen, wanting to put this in perspective, said that this is just a study. Once the study concludes, and, if it jumps all the hurdles and the Commission wishes to continue, then the study would go into a master plan process. An environmental process would follow the master plan. This is not the environmental process. We are simply trying to get all of the facts on the table so that informed constituencies can make recommendations to the Commission. The Commission, as previously indicated, would be responsive to those constituencies in the final analysis.

* * *

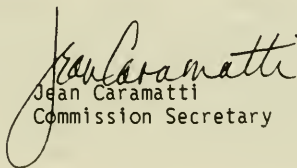
J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 9:45 AM.


Jean Caramatti
Commission Secretary

CITY AND COUNTY



OF SAN FRANCISCO

AIRPORT NOISE COMMITTEE

1275 Market Street, Suite 1300 • San Francisco 94102

August 16, 1990

Mr. John Costas
San Francisco International Airport
San Francisco, California 94128

Subject: Runway Reconfiguration Study
Phase I Report June 1990

Dear Mr. Costas,

In response to the Draft Runway Reconfiguration Study, prepared by the Greiner Team, the Airport Noise Committee submits the following comments. Although these comments have not been reviewed and approved by the San Francisco Board of Supervisors at this time; the remarks that follow will form the basis of the Committee's advisory recommendation to the Board.

During the process which has led to the release of the Draft Study, the Committee stated its concerns to you and members of the Greiner Team on at least two occasions. These concerns were that the aircraft noise which affects San Francisco neighborhoods be addressed; and that any proposed reconfiguration provide for a genuine noise reduction which could be supported by all noise impacted communities. Unfortunately, the Committee finds that the four alternatives proposed in the Draft Study (D2, G2, J & K), fail on both accounts.

SUMMARY AND OVERVIEW OF COMMENTS

The primary objective of the Reconfiguration Study is the elimination of incompatible land uses within the 65 CNEL contour, as defined by the State of California. In addition, secondary objectives include the reduction of noise levels and overflights in areas outside the 65 contour. (page 1-2) While the Committee strongly supports efforts to reduce noise, it concludes that the proposals outlined in the Draft Study represent a noise shift. Under each of the proposed reconfigurations, noise is reduced inside the contour and

increased outside the contour; most notably over the City and County of San Francisco. We believe that such a noise shift is contrary to Airport policy and interests.

NOISE IMPACT CONCERNS

The Draft Study states that the alternatives studied "...address current noise impact concerns" and "seek to reduce noise levels" in the communities of Millbrae, Burlingame, San Bruno, South San Francisco and Foster City. (page 3-5) Conspicuously absent from this list is San Francisco; although noise levels in many neighborhoods of the City are equal to levels on the peninsula and in Foster City. (S.F.I.A. Quarterly Noise Report, Fourth Quarter 1989) Clearly, the "noise impact concern" of San Francisco is not acknowledged, nor is any relief sought in these alternatives.

In addition, it appears that this Draft ignores an important aspect of the study objective as outlined in the Request for Proposals. Specifically, the Request for Proposals states that it is not sufficient to simply reduce noise as measured by the narrowly defined primary objective. It says:

The criteria in meeting this objective must also include:
1) Further mitigation of single event and backblast impacts,
and overflight impacts on communities outside the 65 CNEL
contour.
(Request for Proposals, S.F.I.A., June 23, 1989)

The importance of this added criteria cannot be understated. This criteria insures that any noise reduction will be genuine, and not simply reduce noise in some areas by shifting it to other areas. The Committee understood that alternatives pursued for study would be required to meet this criteria, and seeks an explanation of why it has been ignored. Since the four proposed reconfigurations will increase noise levels and overflights in San Francisco neighborhoods, the Committee finds that they do not meet the necessary criteria, and should be rejected.

NOISE IMPACT IN SAN FRANCISCO

The Draft study shows that when compared to the "Do-Nothing Alternative", noise impacts in San Francisco will be increased significantly by the four proposed alternatives. Each alternative (D2,G2,J & K) "reduces" noise by extending Runways 1L and 1R into the Bay. This allows heavy long-haul aircraft to depart these runways, and places them over San Francisco neighborhoods as they head west. The Draft Study acknowledges this noise shift :

Each of the alternatives that provide a large reduction of the noise impact area in the San Bruno Gap achieve the reduction by changing runway utilization (ie., shifting long-haul operations from Runway 26R to 1R. (page 6-15)

More specifically, in describing alternatives D2 and G2, the study states that "...it can be anticipated that the frequency of overflights over San Francisco would increase." (page 4-12). In reference to Alternative J, the study says "A considerable amount of aircraft noise could be moved from the Millbrae-Burlingame area to a new Runway 1L." and further "...with the potential for increasing overflights over San Francisco." (page 4-16, 4-17) Finally, referring to all four alternatives, the study says "...overflights would increase in San Francisco." (page 6-17) Furthermore, the study shows that the heavy, loud, long-haul aircraft departing these runways would not reach an altitude over San Francisco so that noise levels could be lowered. (page 6-18)

Finally, the analyses which project noise levels at specific monitoring sites show that San Francisco is greatly impacted. For example, Table 6-3 shows that noise at monitor site 23 would increase from 59 CNEL to over 62 CNEL under the four proposed alternatives. Since a 1.5 db increase in CNEL is considered significant, the Committee must characterize this noise increase as very significant. Similarly, the SEL, LEQ, and 'Time above 65 DBA' analyses all show that noise levels in San Francisco increase. (Tables 6-3 thru 6-6, Tables B-1 thru B-4).

As outlined above, it is clear that the proposed alternatives will increase noise over San Francisco. While the study acknowledges this fact, it offers no suggestions on how this increased noise might be abated. In fact, the Greiner Team claims it can not suggest ways to mitigate these impacts, since flight paths (overflights) are the jurisdiction of the FAA. (page 6-17) This acknowledgement of responsibility for increasing the noise problem and disavowal of responsibility for seeking solutions is not adequate. For a project of this scope, the FAA can and must be consulted and involved as needed. Frankly, the Committee finds it appalling that the increased noise impacts created by these reconfiguration alternatives are so easily dismissed. It is unacceptable to offer no mitigation for the noise increases resulting from runway reconfigurations which are supposed to reduce noise.

CAPACITY

The Draft Study shows that under each of the four alternatives, the airfield capacity is increased. (Table 1-1) However, while comparative terms are used to describe the resulting increases, no actual data are provided. The Committee believes that this deficiency should be corrected, and the resulting increase in number of operations per hour for both VFR and IFR conditions provided. Finally, the Committee notes that the alternative proposals which extend Runway 1 and build a new parallel Runway 28 are the same as

proposals made in the "Task Force Capacity Study " of December 1987, the sole goal of which was to increase capacity.

SAFETY

The Draft Study claims that safety is enhanced by having the heavy, long-haul aircraft climb over the Bay rather than through the San Bruno Gap. (page 4-12) This claim is unsubstantiated, and open to question, since the transoceanic aircraft will turn to the west and cross over densely populated areas of San Francisco while in a climbing posture. Based on information provided in the study, B-747 aircraft would barely reach an altitude of 3500 feet before crossing San Francisco neighborhoods. (interpolation from data provided on pages 6-17 & 6-18) Finally, the study concludes that maintaining the existing runway system does not enhance safety, although no evidence is provided to indicate that it is unsafe.

ECONOMIC CONSIDERATIONS

The Draft Study states that as a result of lower noise levels, communities can expect "...increased property values, improved land use opportunities and an improved quality of life." (page 6-39) Conversely, the report acknowledges that aircraft noise has a negative impact on the value of residential property, and estimates that decrease at approximately 1.5 percent for each decibel increase in DNL. (page 6-40) This is consistent with other studies which have shown decreases in value from .5 to 2.5 percent for each decibel increase in noise. (FAA Report no. FAA-EE-85-2, "Aviation Noise Effects", March 1985) Based on the noise increase projected for San Francisco, the Committee believes there could be a substantial impact on residential property values. This impact should be quantified and reflected as an economic cost of the project.

COMPUTER NOISE MODELING

Conclusions in the study are based on computer modeling of existing and future noise impacts. A review of information about the model used in the study reveals several concerns. First, Exhibit 2-2, which shows flight tracks used in the model does not indicate the flight tracks of aircraft arriving over San Francisco. This flow of aircraft traffic is from the northwest to the southeast, almost directly counter to departure track DT 4. Second, the table on page 6-8 indicates that the model used a figure of 86.6 percent for departures on Runway 1. This figure is based on existing conditions and there is no indication that the utilization rates are altered to reflect conditions under each of the proposed alternatives. With the extension of Runway 1 into the Bay, it seems likely that the utilization rate for Runway 1 would increase over existing conditions. Third, Table 6-1 shows that the noise level projected at Monitor 26 is 4.5 decibels lower than actual readings. The report

states that this discrepancy is "...most likely due to aircraft operations from other local airports and limitations of the ENM." (page 6-4). Since this discrepancy affects all noise levels projected at Monitor 26, the Committee finds the explanation to be inadequate; and believes the model should be adjusted to more accurately reflect actual noise readings. Finally, it is unclear to what extent the input data is changed to reflect each of the alternatives. The description of each alternative should include a clear explanation of how the computer model was adjusted to reflect actual operating conditions. This should include changes in runway utilization rates, changes in runway utilization by aircraft type, changes in capacity and changes in flight tracks and altitude resulting from the alternatives.

CONCLUSION

The Draft Study shows that under the "Do-Nothing Alternative" the noise impact area will be reduced by approximately 33 percent in the year 2006. (page 6-22) The CNEL grid point analysis also shows that unlike the four proposed alternatives, this option will provide for the gradual reduction of noise levels at all monitoring points. (Table 6-4, Quarterly Noise Report, Fourth Quarter 1989). In light of this information, the Committee believes that the expense of further study and possible construction for a project of this scale requires close scrutiny and extensive justification.

The Airport Noise Committee strongly supports efforts to reduce noise caused by San Francisco International Airport. As demonstrated above however, the Draft Study shows that the four proposed alternatives (D2, G2, J & K) achieve "noise reductions" by shifting noise from one place to another. The Committee believes that such a shift is inconsistent with Airport policy and interests. Moreover, these alternatives do not reduce noise impacts outside the narrow confines of the 65 CNEL contour, as is called for in the Request for Proposals.

The Committee hopes that these comments will be helpful in improving the report and that our concerns will be adequately addressed. If you have any questions please feel free to contact me so we may discuss these concerns further.

Sincerely,


Timothy Treacy, Chairman
Airport Noise Committee

cc: Hon. Art Agnos, Mayor, City and County of San Francisco
Hon. Jim Gonzalez, Board of Supervisors, San Francisco
Morris Bernstein, President, Airports Commission
Lou Turpen, Director of Airports
Roger Chinn, Chairman, Airport Community Roundtable

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MINUTES

October 11, 1990

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President

DR. Z. L. GOOSBY

Vice President

SHARON B. DUVALL

PATRICK A. MURPHY

J. STANLEY MATTISON

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

October 11, 1990
Special Meeting

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Minutes
of the
Airports Commission Meeting

October 11, 1990
Special Meeting

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 5:35 P.M., 101 Grove Street (Department of Public Health), Room 300, San Francisco, CA.

★ ★ ★

B. ROLL CALL:

| | |
|----------|---|
| Present: | Morris Bernstein, President Sharon B. Duvall Patrick A. Murphy J. Stanley Mattison |
| Absent: | Z.L. Goosby, Vice President |

★ ★ ★

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners;

★ ★ ★

D. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

1. Rejection of All Bids - Contract No. 2274 - International Terminal Pavement Slurry Seal

| | |
|-------------|--|
| No. 90-0179 | Resolution rejecting the bid of O'Grady Paving, Inc. in the amount of \$167,350.00 |
|-------------|--|

2. North Terminal Crab and Seafood Kiosks - Tan Enterprises, Inc.

| | |
|-------------|--|
| No. 90-0180 | Resolution awarding the North Terminal Crab and Seafood Kiosk Lease to Tan Enterprises, Inc. in the amount of \$168,808.00. |
|-------------|--|

★ ★ ★

E. NEW BUSINESS:

There was no discussion by the Commission.

★ ★ ★

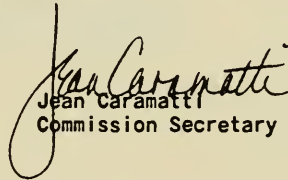
F. CLOSED SESSION:

Pursuant to Government Code Section 54956.9(c), the Airports Commission went into closed session at 5:40 PM to confer with legal counsel to decide whether or not to initiate litigation.

★ ★ ★

G. ADJOURNMENT:

There being no further calendar business before the Commission, the meeting adjourned at 7:15 PM.


Jean Caramatti
Commission Secretary

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MINUTES

NOVEMBER 20, 1990

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

SHARON B. DUVALL

PATRICK A. MURPHY

J. STANLEY MATTISON

LOUIS A. TURPEN

Director of Airports

**San Francisco International Airport
San Francisco, California 94128**

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of the Minutes
Airports Commission
November 20, 1990

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Minutes
of the
Airports Commission Meeting

November 20, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Patrick A. Murphy |
| | J. Stanley Mattison |

| | |
|---------|------------------|
| Absent: | Sharon B. Duvall |
|---------|------------------|

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 2, 1990 and the special meeting of October 11, 1990 were adopted by order of the Commission President.

No. 90-0182

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced that by a 3-1 vote, with Commissioner Bernstein casting the dissenting vote, the Airports Commission adopted resolution no. 90-0181 directing Director of Airports to engage legal counsel to challenge the validity of Proposition D on the November 6, 1990 San Francisco General Election Ballot and the procedures placing it on the ballot, at the Special Meeting of October 11, 1990.

* * *

E. DIRECTOR'S REPORTS:

1. October 22, 1990 Start-Up of Airport Information Booth Program

Mr. Lou Turpen, Airport Director, explained that this program was designed to provide information to arriving passengers. During the first ten days of operation almost 12,000 people sought assistance at the booth, many in languages other than English. Presently, four or five languages can be utilized at the booth with a direct link for another 100 languages through a special AT&T system. He said that the booth is working very well.

Mr. Turpen said that the Mayor's Office of Business Development intends to incorporate some activities which are currently available in San Francisco to make the booth a more generic visitor center.

Commissioner Goosby asked what the cost will be.

Mr. Sheldon Fein, Landside Operations, responded that labor costs will run about \$500,000 a year with \$100,000 to \$150,000 for printing costs for brochures.

Commissioner Goosby asked if this was done by RFP or bid.

Mr. Fein responded that it was a request for proposal. Outlines were submitted by proposers describing proposed management systems.

Commissioner Goosby asked what the percentage of domestic passenger use would be.

Mr. Fein said that staff will prepare statistics by terminal as well as by type of service.

Commissioner Goosby assumed that the operator will be expected to meet certain Human Rights Commission affirmative action standards.

Mr. Fein said that the contract was set up for MBE participation.

Commissioner Goosby said that domestic passengers will comprise the greatest percentage of users. This booth will be the first glimpse of the workings of San Francisco government, with the person behind the counter representing San Francisco. He hoped that would be kept in mind as hiring practices are assessed. He did not feel it necessary that all employees speak a foreign language.

Mr. Fein told Commissioner Goosby that this is an MBE firm.

Mr. George England, Luxor Cab Company, said that for some time they have been communicating with staff and the Commission about how to improve the situation for taxi drivers as well as the taxi riding public at the Airport.

Mr. England said that he had information sheets given to him by Information Booth personnel. He said that taxicabs are a very viable part of the transportation system at the Airport yet the information sheet he was given listed taxicabs last. He noted that there are phone numbers and fare information as well as instructions on where to find these carriers. Information on taxicabs only lists a \$24.00 fixed rate fare divided by the number of passengers. He was concerned that no one contacted either of the taxicab organizations of which he is a member ... the Cab Drivers Association and the United Taxi Workers ... about the kind of information the public should receive about taxicabs. The people who are providing the service should have some input on it. He felt it was an on-going effort to

exclude cabs. He said that he has been before the Commission at previous meetings about the way the cabs flow through the Airport. There is a lack of continuity in the way the system operates.

Mr. England said that he would like to see a breakdown on the rates sheets. All the rates listed are for per person fares except for cabs which is per vehicle. Up to five people can travel in a cab for that same \$24.00. If that information is presented most people will determine that a cab is fairly inexpensive transportation and probably the most expedient. He said that people are assuming that because every other listing is based on a per person basis that the \$24.00 cab fee is per person as well.

Mr. England said that the cab drivers are trying to get the Police Commission to place the breakdown inside taxis or outside taxis. If four people travel together the fare is \$6.00 per person which compares favorably with the Airporter bus.

Mr. England requested that the taxi groups and cab drivers be allowed to input into the kind of information that should be presented.

Mr. Fein explained that after the first couple of days of operation the information sheet was reprinted for each area. The section on taxis reads "Taxis \$17.00 to \$32.00. SFO stops, lower level, yellow column, outside baggage claim, all terminals. Shared ride, \$24.00 divided by the number of passengers up to 3 designation. \$17.00 to the Cow Palace, \$28.00 to Fisherman's Wharf." He said that it also their intention to rotate the order of ground transportation operators listed on the sheet every couple of weeks. The same information is listed for each county.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was adopted unanimously.

2. Canadian Airlines International, Ltd., Christmas 1990 and Easter 1991, Additional Flights

No. 90-0183

Resolution approves additional round-trip flights, SFO/Vancouver for Christmas 1990 and Easter 1991; two on December 22 and 23, 1990, and two during the week of March 1991.

Mr. Turpen said that Canadian operates under a variance from the Airports Commission for the 25 percent rule. Their variance was granted with the full understanding that they will be 33 percent in compliance by October, 1991 and by almost 70 percent a year later.

Mr. Turpen said that Canadian has asked for two additional flights in December and two in March, corresponding with holiday periods. The flights will operate with Stage 2 aircraft, however they will be daytime operations. He said that it would serve the public interest to have these seats available during these holiday periods.

Item No. 3 was put over to the December 4, 1990 meeting. The following is a verbatim transcript of Item No. 3.

3. Intent to Award Self-Service Luggage Cart Agreement

Resolution of intent to award self-service luggage cart agreement to Smarte Carte, Inc.

COMMISSIONER BERNSTEIN: There are two speakers. Mr. John Boos of Petit and Martin. Would you like to say something on that?

MR. JOHN BOOS: With Petit and Martin of San Francisco on behalf of Quality Vending. The Commission is aware that this contract has been a very contentious one and has involved a great deal of litigation so far. The Commission's award has been vacated by the courts and the courts have essentially held, Judge Brown, that in a contract like this the bidding procedure must be absolutely above-board, scrupulously fair by all standards in order to pass muster. And, I'm here to tell you today that based on the documents I have seen, there is reason to believe that the court would disapprove the award of the contract that is contemplated today.

What I'm asking the Commission to do, respectfully, is to continue their consideration of this resolution to allow us and the other interested parties an opportunity to make a written presentation to set forth all of the reasons we believe that this contract award which is contemplated would not stand judicial scrutiny.

You should be aware that my clients, Quality Vending, were informed only by telefax last Thursday about this meeting today. They were invited to bring their equipment, which they are very proud of. It's new equipment and they wanted to highlight that equipment as a major reason in their favor for the contract to be awarded. There hasn't been enough time to get the equipment here. Smarte Carte is the incumbent and obviously they have an advantage in terms of presenting their equipment. Nor have we had a full and fair opportunity to fully investigate the Commission file on this matter. That's important because from what we have seen so far of the staff report to the Commission, it is clear that there is a fundamental flaw in the bid documents. A fundamental misunderstanding. There may be more but it is obvious to us from Ms. Gittens reports that the City either misinterpreted its own requirements or is operating on a different wave length from the other bidders. If I could show you just one example of what I'm talking about.

I refer to Proposal A which is part of the RFP. And, specifically, I refer to Item No. 1 in which the bidders are called upon to state the price of a single cart to the public in all areas of the Airport except the International Terminal customs area. In other words, the so-called pay carts in the domestic areas.

Item two calls for the bidder to say what refund, if any, you will provide to the public for each cart returned. The crucial point I want to make is that this number two does not contain the modifying language except the International Terminal customs area. In other words, the bidder, certainly Quality Vending, is given to understand that if there is to be a refund to the public it must be on all carts.

COMMISSIONER GOOSBY: Even the International Terminal.

MR. BOOS: Yes, sir. On all carts. For example, that's the case as I understand it in Los Angeles.

COMMISSIONER MURPHY: How do you give a refund to somebody who never paid you anything?

MR. BOOS: It's the same principle that you have in Los Angeles Airport. It also applies here in San Francisco.

COMMISSIONER MURPHY: Los Angeles has free carts but you get a quarter if you give them back.

MR. BOOS: That's right. Another thing ...

COMMISSIONER GOOSBY: You mean they just give a quarter away?

MR. BOOS: No, the quarter is a reward, if you will ...

COMMISSIONER GOOSBY: To return the cart.

MR. BOOS: To return the cart and make life easier for the operator to avoid having to chase down in parking lots and so forth for carts. Here, of course, as things stand, there's no telling that the person who returned the cart is the same person who rented the cart in the first place. There are people who hang around airports and make extra quarters that way. So, it is not a direct relationship there. The point is that my client, Quality Vending, and for all we know, other bidders as well, operate on the assumption that the refund must be available, must be given to everyone. And this means big dollars because we're talking about, according to the Airport's projections, 1,500,000 international arrivals using carts. If you give a quarter to every one of those you're talking almost \$400,000. Now, this was built into Quality Vending's bid and it effected all of the numbers in Quality Vending's bid, including the price that we proposed charging to the City for the use of the international carts. Now, here's the problem - when you get the Commission's memo and you crunch the numbers, it is clear that the City understands this to mean a refund only for so-called paid carts. There is a fundamental divergence here of what paragraph two means. It's affected our bid, it may have affected other bidder's bid. It means, in effect to us, that we have to allocate more money to rebate to the public which makes less money available to rebate back to the City.

Now, those of you who recall the litigation here I think will agree that Judge Brown's view is that far less than this kind of divergence is cause to throw out the contract entirely. The court has set a very high standard here.

There is another thing that I want to point out as well. In the staff memo ... I'm sorry, in the RFP the bidders are told that the domestic cart usage has actually been dropping over the past years. The trend is from 484,000 in 1987-88, down to 458,000 in 1988-89, down again 449,000 in 1989-90, but in the staff report recommending this resolution we are given to understand that the City actually projects a seat change from reversing the decline and actually going up to 635,401. We don't understand where that number came from. We are concerned that it reflects information that may not have been made available to all bidders about recent trends in cart usage. These are only examples.

The lesson from the court is clear that this contract will not stand judicial scrutiny unless it is fully above board. We believe there are significant questions about unfairness to bidders. We want those questions answered. We want an opportunity to make a presentation before the Commission even deals with an intent to award this contract. And, without belaboring my presentation, let me point out something else if I may here about competition. We're in favor of competition. We in favor of fair competition. We remind you that in the days when there was no competition to Smarte Carte, remember what happened then. Smarte Carte's bid went up from \$1.00, charging to the City for the international arrivals, up to \$1.25. You recall the Commission said no, we reject that, that's too high. And then what did Smarte Carte do after that? They came back with the same number. The same number and the message was, we've got you where we want you. We've got no competition, you're stuck with us, we'll charge you whatever we want. Then, Quality Vending and others came on the scene and suddenly the trend goes all the way down. Last year Smarte Carte wanted \$1.25, now they say we'll give it to you for 70¢. So competition's a good thing. We want a full and fair opportunity. We think it'll benefit the City. We think we've already benefitted the City by bringing Smarte Carte down to earth.

Thank you, very much.

COMMISSIONER BERNSTEIN: Mr. Parker, Smarte Carte.

MR. RICH PARKER: Good morning, I'm Rich Parker from Smarte Carte. First of all I would like to correct some very strong statements that Mr. Boos made, one of which was regarding the price of carts in Los Angeles. Carts in the Los Angeles customs hall are rented for \$1.00, there is a 25¢ return to the passengers.

I'd just like to say how pleased we are to be here today and to thank you for the careful review of our equipment and our proposal. We highly value our partnership with the San Francisco International Airport and are dedicated to serving your interests. We have responded with not only a very financially attractive proposal for the City but also, I believe, we met or exceeded the other evaluation criteria of the proposal requirements.

As you may know, our proposal calls for the installation of all new equipment - that will be provided. In addition, we know that the Airport has been asking for certain modifications to the pushcart. We are prepared to make those modifications as requested and to do it within the time frame specified. I want to assure you that Smarte Carte can and will complete and do the job here for the San Francisco passengers as well as for the Airport.

I know there is a busy agenda today. I want to just take a moment to introduce Tony Lau. Tony Lau has been our manager for the last ten years that we have been operating here in San Francisco. He brings to San Francisco a quality that might not be easy to fit into an operation such as ours. He has the experience and the manpower able to complete the work that needs to be done in serving the passengers here in San Francisco.

That's all I have. Thank you for your time today. If there are any questions I'll certainly be prepared to answer them.

COMMISSIONER GOOSBY: If you had interpreted that paragraph about the 25¢ refund do you think your bid would ... as not applying ... in other words, you interpreted your bid that that did not apply to international passengers. If you thought it also applied to

international passengers do you think it would have effected the amount of money you bid?

MR. PARKER: No sir. I don't think we saw any kind of ambiguity there at all. We felt it was easy to understand.

COMMISSIONER GOOSBY: I didn't ask you that. I said that if you had interpreted it where the international passengers were also going to give that 25¢ back, would it have effected it ... would you have interpreted it like the other firm claims that they did.

MR. PARKER: I don't.

COMMISSIONER GOOSBY: You don't think that it would effect your ...

MR. TURPEN: Angela?

ANGELA GITTENS: Let me just clarify a particular point on the refund of international passengers. The reward is available for all passengers if they return their carts anywhere but right in front of the International Terminal, lower level. If they return the cart on the upper level anywhere or in the domestic terminals, lower level or on the roadway they do get the refund. So some portion of the International Terminal passengers who have received a cart for free may return the cart or have someone return the cart and get a refund. There's some amount that does get spent.

COMMISSIONER MURPHY: Let me ask the basic question. As I understand this, you come into the International Terminal, you get your free cart, you collect your bags, you go through customs, you can take your cart out the door, and, if, for example, you decide to take a shuttle service into town you go upstairs, park your cart, get your quarter.

MS. GITTENS: That's correct.

MR. TURPEN: Anywhere on Airport. The carts were ... the system ...

MS. GITTENS: Unless you return it right in front of the International Terminal, lower level. Those machines do not give rewards.

MR. TURPEN: The system was specifically designed not to restrict the use of the cart. Other places you have to give up the cart as soon as you walk out the door of customs. What good is the cart? You use it for 60 feet. So, the Commission's original intent was, we want the cart to be unrestricted in terms of going to the garage, going to the South Terminal, making an airline connection, whatever you want to do.

COMMISSIONER GOOSBY: With barriers up you couldn't get them out.

MR. TURPEN: Right. That was all rejected after about 73 different looks at it. I think the issue here is, I believe ... Ang, if you could comment on the proposal before the Commission on the 70¢. That 70¢ was a figure to the Airport which understood that there could be as much as a 25¢ per cart refund. Is that right?

MS. GITTENS: Well, that's a matter in the mind of the bidder, which we are not involved in. I don't know what each bidder assumed as to how much in refunds they would have to give.

COMMISSIONER GOOSBY: Assuming that because they would have to guess about many ...

MS. GITTENS: They would have to guess just like we would.

MR. TURPEN: A percentage. Exactly right. Zero to 100%.

MS. GITTENS: The operation, I believe, is clear as to how it now operates and how it is intended to operate.

MR. TURPEN: The Commission has a couple of choices as I see it. Choice no. 1, this is an intent, a resolution of intent to award, followed up by an award. At some later date the Commission can pass this, indicating clear intent to award and come back. Or, the Commission can, because at this point I see no down side to putting this over for two weeks and allowing staff to sit down and take another look at the numbers and insure that the representations to the Commission and the understandings of the bidders are, in fact, those that we are communicating to you. I would prefer the second alternative unless the Commission has some overriding concern that this go forward now.

COMMISSIONER MURPHY: I think I would prefer that we kick this over a couple of weeks and give the staff a chance to come back to us with more detail.

MR. TURPEN: That would be our preference, sir.

COMMISSIONER MURPHY: For what it's worth, my inclination, unless you've got a real story to tell, would be to go ahead with the intent to award the bid at that time. I think the proposal is pretty clear as I understand it but I'd like to make sure that we understand this current issue and give Quality a little ...

COMMISSIONER MATTISON: I'd like just one bit of insight into the dialogue between staff and the bidders. I'm assuming that this package just didn't show up in the mail one day and that was the entire process. There seems to have been a tremendous dialogue over a long time among the bidders and staff.

COMMISSIONER MURPHY: Particularly if you call the service of pleadings dialogue.

MR. TURPEN: We had pre-bid conferences.

COMMISSIONER MATTISON: I'm surprised. There must have been conferences and dialogue that would have clarified this. This is a pretty strange misinterpretation to persist after so much dialogue and so many attempts at getting this thing resolved.

MS. GITTENS: This is the third request for proposal. It has not changed. The operation has not changed in the I guess year and a half that we've been trying to get this contract proposed on and awarded. We had two pre-bid conferences.

COMMISSIONER GOOSBY: And it wasn't brought out at any of those pre-bid conferences this particular ...

MS. GITTENS: I believe the operation has been explained to all the proposers as to how we do it.

COMMISSIONER BERNSTEIN: Why don't we put it over for a couple of weeks?

MR. TURPEN: I think that would be wise. Let me just say that I'm gratified to see so much enthusiasm for a cart bid after so many lack luster years. So, I take this positive sign ... (end of side 1 of tape)

MS. GITTENS: ... (beginning of side 2 of tape) ... Martin indicated he wanted the Commission to receive some more information.

COMMISSIONER MURPHY: Yes.

MR. TURPEN: And if ... and I think ...

COMMISSIONER MURPHY: I would like to receive some more information from the staff just to make sure that this issue was available for discussion, what the practices of the Airport are with regard to free carts.

COMMISSIONER GOOSBY: And from the company as to what difference it made in their figure. I would like to know what difference it made in their figure. Right now it looks to me like a Judge is going to do just what they did before, which I felt he was going to do before and I went along with it.

COMMISSIONER MURPHY: I doubt it.

COMMISSIONER MATTISON: I don't think so. I think the integrity of the process is really the issue and the process has certainly been flushed out with a lot of dialogue and I guess that's what we'll review in the next couple of weeks to insure that we have a process that we brought out that sort of interpretation. Because this sort of back door way of kings x - let me see what my bid would have been if I had known what the other guys bid was. We'd better be very careful with that sort of notion.

COMMISSIONER GOOSBY: As long as that question remains in the Judge's mind the easiest thing for him to do is just what he did before - bid it over again.

MR. TURPEN: There are two things I need to share with the Commission ... one, staff will provide for the Commission an evaluation of this situation. Number two, the attorneys for QVS have indicated they wish to share with the Commission some arguments, if you will, to support their position. This matter will go over for two weeks, which will be December 4. I would suggest that those arguments should be forthcoming to the Commission no later than a week from today in order to insure that the Commission has time prior to the next meeting to review those.

MR. BOOS: We're happy to do that.

MR. TURPEN: Those should be sent directly to the Airport's Commission and, if you will, copy to staff too, please. Thank you. Okay, we'll put this over then until December 4.

The following items were adopted unanimously.

4. Modification of Bond Consultant Contracts

| | |
|-------------|--------------------------------------|
| No. 90-0184 | Modification of contracts with the |
| No. 90-0185 | Co-Financial Advisors, Co-Bond |
| No. 90-0186 | Counsels and Feasibility Consultant. |

Ms. Gittens said that this modifies the contract for work already done on Series E which we sold in March, and, more importantly, the bulk of the money will send us forward with the master resolution changes, the possible forward refunding of the Series D bonds and the Series F bonds, which will be the first bond issue of the new master plan. She assumed that the last issue will be sold next summer, assuming the EIR is completed. This is the next phase of our financing plan.

Commissioner Bernstein asked if the market conditions would have any effect on this.

Ms. Gittens responded that it is causing us not to move ahead at this time with the Series D refunding which was anticipated to happen in October or November. She said that perhaps we will never go forward with it.

Commissioner Mattison assumed that it would essentially be on the shelf in the event market conditions allow it to go ahead.

Ms. Gittens said that that was correct.

5. Adoption of Increases in Public Parking Rates

| | |
|-------------|---|
| No. 90-0187 | Resolution authorizing increases in the Garage and Lot D parking rates. |
|-------------|---|

Mr. Turpen said that this matter came before the Commission at the last meeting in the form of a public hearing. He hoped staff

responded to the Commission's concerns adequately. He reminded the Commission that there was no testimony at the public hearing.

Commissioner Mattison commented that there was no change in the fees up to three hours.

Mr. Turpen said that he wanted to keep the short term frozen to continue to encourage drivers to get off the road and into the garage.

Commissioner Murphy asked for justification for the increase in the long term daily rate for Lot D.

Ms. Gittens responded that it is essentially a "demand supressant" as there is very little space in Lot D. It also adds to the economic health of other lots around the Airport, helping them to stay open which, in turn, helps us.

Mr. Turpen said that about 18-24 months ago he briefed the Commission on what was forecasted to be a particularly critical period in parking at the Airport through 1995. The difficulty would arise because off-airport lots are closing and the spaces are being converted to other uses that are more financially attractive. He said that although we are in a period of some difficulty there is some hope for optimism in some other issues with respect to on-Airport property. At this point we are going to be confined to those available spaces.

Commissioner Murphy assumed that our management philosophy was similar to Logan Airport's which is, simply stated, you just as soon not have people drive and park in the long term lots.

Mr. Turpen disagreed. He said that we have a long term plan which recognizes that there will always be a certain portion of the traveling public that will elect to drive. We've forecasted that demand and we've also forecasted the fact that the demand can't be met in the near term. However, our long term planning recognizes what that increment is, keeping in mind what our long term commitment is to mass transit. Although he thought they could be blended he felt that it does call for an increase in our long term parking availability as part of the master plan ... decking lot D. He said that he wouldn't say it is as extreme as a policy of denying it but recognizes that there is a percentage and he wants to accommodate that percentage without introducing any more traffic.

Commissioner Bernstein said that the sole purpose is to increase revenue for the City.

Mr. Turpen said that that was not true.

Commissioner Bernstein said that he was against it just to raise prices.

Mr. Turpen said that in 1981 he came before the Commission with a suggestion to raise employee parking rates from \$5.00 every three months to \$5.00 a month - rates which had not changed in 18 years. Since that time it has been his practice, supported by the Commission, to keep rates comparable to other facilities in the area and reflective of the increased cost of operating the Airport as well as to spread the rates across the broadest possible base as opposed to capturing them from a single sector of our revenue stream. This increase is reflective of that policy. It makes a minor contribution to the general fund but that is not the primary purpose. This action will keep pace with a continued philosophy the Commission has had to ensure that all Airport rates reflect market conditions as much as possible rather than to deep discount rates in specific areas only to double or triple them in a quantum leap at a later date.

Commissioner Bernstein commented that if the Airport wished to reflect market conditions the rates should be dropped.

Mr. Turpen disagreed. He said that attachment no. 1 provides the rates of the Parking Authority and the downtown privately-owned garages as compared to the Airport garage.

Commissioner Bernstein asked how much of an increase this would result in for the City.

Mr. Turpen said that it would be about \$405,000.

Commissioner Mattison asked if the revenue would be made up in another area, such as landing fees, if this isn't approved.

Mr. Turpen said that it would. He said that any major airport in the U.S. derives in excess of 50 percent of its revenues from the airlines which serve it. That has had a particularly negative effect in places like Miami and Atlanta, or Dallas after the Braniff situation. A number of airports have suffered with the airlines. One of the strategies we adopted in the early 80's was to minimize that dependence so that now the airlines are only contributing 25 percent to the operation of SFO compared to some 55 to 60 percent at other major U.S. airports. We see that as a sound fiscal strategy in order to preserve our ability to finance future projects. Losing a carrier now is almost a non-financial issue for SFO as opposed to other airports where they might comprise 20 - 30 percent of the revenue flow.

Commissioner Murphy said that he was persuaded that the daily parking rates at the Airport ought to be competitive with what the City charges and other airports around the country. It is mainly an issue that relates to our fiscal soundness so that we can sell our bonds and continue our operations.

Mr. Turpen said that a good example was drawn a few weeks ago when someone indicated that San Francisco Airport could theoretically could borrow, \$2.5-billion and its overall rates would still be below those at Kennedy. He said that this is a good indication of the impact of the revenue diversification strategy which the Commission adopted in the early 80's. It has served us well. We are trying to keep a balance among the revenue sources and at the same time not get into a situation as we did with parking where for 10 or 15 years we didn't adjust the rates and then face the spectre of making some quantum leaps.

Commissioner Murphy said that he was less concerned with that than in keeping everything in balance.

Commissioner Bernstein did not feel that the Airport should charge more for the sake of charging more just so the airlines would have a lower rate. He said that the amount generated is almost meaningless to us. We don't need the money. The sole purpose of the raise is to generate money for the City.

Mr. Turpen disagreed. The City derives a benefit if we open a concession or rent one more car. We have the highest bond rating of any airport without a bridge attached to it. He recommended supporting the increase.

Commissioner Bernstein asked why there wasn't a separate line in the garage for those who pay by credit card.

Mr. Fein responded that that procedure was put into effect last year for a period of about three weeks. He said that irregardless of the signs, cars would enter the shorter lines and tie things up. Once a vehicle reached the toll booth it could not back up and was trapped in that line. He said it was a mess.

6. Modification for Professional Services Contract No. 1739, Evaluation and Improvements of Security Systems

| | |
|-------------|---|
| No. 90-0188 | Resolution awarding and authorizing modification No. 2 to agreement with the security consulting firm of Asset Protection Consultants, Inc. to increase compensation payable by the sume of \$180,000.00. |
|-------------|---|

Mr. Turpen said that this is part of the overall security program being implemented airport-wide and is a continuation of the initial card reader system which was installed in the terminals. We are now moving to mandated systems airport-wide. The system appears to be very effective and we are pleased from a cost perspective as well.

Commissioner Goosby noted that the cost is below what is being charged nationally.

Mr. Turpen explained that because of the Airport's size and the way it's laid out we have gained some efficiencies that are lacking at other airports. Dallas has 18,000 acres, SFO has 2,200 acres.

7. Award of South Terminal Cigarette Vending Lease

| | |
|-------------|--|
| No. 90-0189 | Resolution approving award of South Terminal Cigarette Vending ease to Kyo M. Ahn. |
|-------------|--|

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

8. \$19,295,772 Supplemental Appropriation to Fund Approved Capital Projects

No. 90-0190

Commissioner Goosby asked if the Series A revenue bonds were earmarked for a particular capital project.

Ms. Gittens responded that they will be but it will be a separate action.

Mr. Turpen said that the Commission has already approved the projects in the Five Year Capital Plan, we just have to do some matching.

9. Bay Area SuperShuttle Rental Credit for Bus Stop Shelters

No. 90-0191

Resolution approving rental credit to Bay Area SuperShuttle for payment of \$9,843.41 to Ace Aluminum Company for two (2) aluminum shelters to be installed on the Upper Level islands at the North and South Terminals to serve patrons of door-to-door van services.

Commissioner Goosby asked why the Airport couldn't afford to build this shelter.

Ms. Gittens responded that it is not that the Airport can't afford it, but it is much faster if SuperShuttle builds it. SuperShuttle will receive a rental credit for the work.

Mr. Dennis Bouey, Deputy Director for Facilities Operations and Maintenance, said that the Mayor now asks that projects be advertised from 21-30 days. A private company could conceive and build this in that same period of time.

Commissioner Goosby asked if we are required to bid projects even if they are under a certain dollar amount.

Mr. Bouey responded that there are two types of bids ... formal bids which must go before the Commission, and, informal bids which do not require Commission approval but must still be bid, regardless of the amount.

10. Bid Call - Contract No. 2367

International Terminal Underground Water Tank Replacement

No. 90-0192

Resolution approving the scope, budget and schedule for Contract No. 2367 and authorizing the Director of Airports to call for bids when ready.

11. Bid Call - Contract No. 2375

Emergency Pavement Repairs - 1991

No. 90-0193

Resolution approving the scope, budget and schedule for Contract No. 2375 and authorizing the Director to call for bids when ready.

12. Design Approval - North Terminal Crab and Seafood Shops

No. 90-0194

Recommend approval of the proposed design for the North Terminal Crab and Seafood Shops.

13. Design Approval - North Terminal Candy Store

No. 90-0195

14. Resolution Ratifying Personnel Actions

No. 90-0196

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

I. PUBLIC HEARING:

The public hearing for Item No. 15 was convened at 9:58 AM and adjourned at 10:01 AM, there being no comments from the public.

15. Hearing on In-Transit Lounge Fee

Commissioner Goosby commented that the Airport can now institute a passenger facility charge.

Commissioner Murphy asked who will pay the in-transit fee.

Mr. Turpen responded that the airlines will pay the fee. This has nothing to do with the passenger facility charge.

Commissioner Goosby asked if the airlines would tack this on to the ticket.

Mr. Turpen said that he believed they would.

Commissioner Goosby thought that some airports already imposed a passenger facility fee.

Mr. Garibaldi responded that up until now such a fee has been illegal.

Mr. Turpen said that unfortunately we were unsuccessful in getting the Federal Government to recognize a return on investment to the municipality which owns the airports.

The public hearing for Item No. 16 was convened at 10:01 AM and adjourned at 10:02 AM, there being no comments from the public.

16. Hearing on Proposed Amendments and Additions to the Airport's Rules and Regulations Pertaining to Taxicabs

The Airports Commission is being asked to hold a public hearing on proposed amendments and additions to the Airport's Rules and Regulations and Fine Schedule pertaining to taxicab operations at the Airport.

Commissioner Goosby assumed that the cab industry had no serious objections as no representatives were present to speak.

* * *

J. NEW BUSINESS:

Commissioner Bernstein thanked Mr. Turpen for his outstanding work as

Chairman of the Combined Charities Campaign. He said that Mr. Turpen's campaign exceeded last years total by about 40 percent.

Mr. Turpen agreed that the campaign this year went very well. A total of 273 City employees volunteered to assist as campaign captains.

The following item was introduced by Commissioner Murphy and adopted unanimously.

Mr. Garibaldi said that in order to comply with the Brown Act there should be a motion that the need to introduce this resolution arose after the agenda had been prepared.

Commissioner Murphy made the motion and it was seconded by Commissioner Goosby.

Ms. Gittens explained that this is for the Hotel/Motel Board. She said that HRC approval was received after the agenda was closed. We had made a commitment to get this started by January, 1991 and we were afraid that if we missed this Commission meeting we would miss that date. This expands the Hotel/Motel Board to 80 spaces from 60 now that it is under Airport Commission direct control and operation.

Commissioner Goosby assumed that Civil Service had to check out the job because the Airport was going to run it.

Mr. Gittens said that the Airport has not hired an additional employee to handle this. It is actually a personal services contract but the contract had to go to Civil Service and HRC.

Commissioner Goosby asked if this management contract was similar to the one for the garage.

Ms. Gittens said that this contract is to modify the board itself - our people will run it.

Mr. Turpen explained that this contract is to fabricate the board.

No. 90-0197

* * *

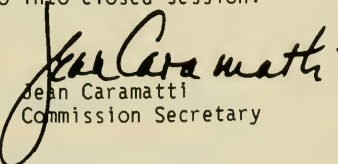
K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:05 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

DECEMBER 4, 1990

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LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

STATE OF NEW YORK
IN SENATE



January 1, 1900

REPORT
OF THE
COMMISSIONER
OF THE
LAND OFFICE
IN RESPONSE
TO A RESOLUTION
PASSED BY THE SENATE
JANUARY 1, 1900

ALBANY: J. B. LEECH, STATE PRINTER, 1900.

THE STATE OF NEW YORK

OFFICE OF THE
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REPORT OF THE

COMMISSIONER OF THE

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of the Minutes
Airports Commission

December 4, 1990

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Minutes
of the
Airports Commission Meeting

December 4, 1990

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|------------------------------|
| Present: | Morris Bernstein, President |
| | Z. L. Goosby, Vice President |
| | Sharon B. Duvall |
| | Patrick A. Murphy |
| | J. Stanley Mattison |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 20, 1990 were adopted by order of the Commission President.

No. 90-0203

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 90-0198 modifying the contract with Morrison and Foerster to enlarge scope of services to include representation and advocacy before Federal agencies and legislative bodies and increasing the amount by \$100,000; no. 90-0199, modifying the contract with Howard, Rice, et al by increasing the amount by \$100,000; no. 90-0200, modifying the contract with Arnelle and Hastie by increasing the amount by \$40,000; no. 90-0201, modifying the contract with Morrison and Foerster regarding Q707 by increasing amount by \$100,000; and, no. 90-0202, authorizing Director to enter into a contract with James Bow to advise, counsel and handle administrative proceedings and litigation relating to business, commercial and personnel matters at the closed session of Nov. 20, 1990.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein asked if staff was doing anything about the Art Store.

Mr. Turpen, Airport Director, responded that staff will perform a standard business opportunity evaluation on the potential to sell art at the Airport. Staff will present a report on the anticipated size and location within the next 30 to 60 days.

* * *

I. I. DIRECTOR'S REPORTS:

Item No. 10 was taken out of order.

10. United Air Line's Acquisition of Pan Am's San Francisco Routes and Facilities - Oral Report

Mr. Turpen explained that United Air Lines has entered into an agreement with Pan American World Airways to acquire certain Pan Am facilities, equipment and routes. Discussions have been held with both Pan Am and United. He introduced Mr. Peter Dugie of Pan Am and Mr. Rick Street of United and asked Mr. Street to address the Commission.

Mr. Richard Street, Vice President of Airport Affairs for United Air Lines, said that over the last several weeks United and Pan Am have worked out an omnibus transaction involving several locations and routes. United is acquiring from Pan Am those routes and facilities at several locations. Key to the transaction are the facilities and routes at SFO. Those facilities include both terminal facilities and equipment as well as Plot 1 and 1C.

Mr. Street said that it is the feeling of both companies that this deal is a good one for everyone, including SFO and the airport community in San Francisco. The transaction includes transferring equipment and facilities that will be operated and used by United in operating and responding to market demand for certain routes to and from San Francisco.

Mr. Street explained that this will also provide the opportunity for Pan Am to continue to be a viable member of the Airport community at SFO. United has worked out a series of transactions through a phased package of proposals and agreements with the two companies. The third phase covers San Francisco and the various major elements of the omnibus agreement between the two companies. During the interim transaction at San Francisco, United Air Lines has worked out agreements with Pan Am so that they continue to be a viable and active participant at SFO. After the phase two closing occurs they will also continue to be a viable member of the Airport community. Beyond that, in Phase III, United and Pan Am representatives have worked out license, sublease and use agreements that not only permit but encourage and facilitate the continued participation by Pan Am at the Airport.

Mr. Street said that the first step is Commission approval of the agreements in San Francisco. He requested as much expedited treatment as possible.

Mr. Turpen said that it was his understanding that United's agreement with Pan Am calls for United to continue to accommodate Pan Am on Plot 1 and within the terminal facilities for those flights that would continue under the Pan Am flag.

Mr. Street said that that was correct. He told the Commission that he and Mr. Dugre have spoken with Mr. Turpen on several occasions. He said that this agreement will have no adverse impact upon Pan Am's continued operation at SFO. Agreements have been worked out where for an extended period of time United will have license and various use and sublease agreements and sub-sublease agreements that will allow them to continue to occupy facilities, utilize equipment at the Airport and consistent with that extension of that accommodation will continue and be consistent with the master plan developments at the Airport. Somewhere down the line there will come a time where there will have to be some accommodation by United of Pan Am's facility requirements.

Mr. Turpen said that it was his understanding that the agreements particularly on Plot 1 and 1C, recognize the development of the master plan and pave the way for appropriate relinquishment and relocation so as not to obstruct the development of the master plan and the new international arrivals building. He felt that the agreements have been responsive to the existing planning at the Airport and a full recognition of our need to develop facilities which may cause United and Pan Am to restructure into a smaller space in order to allow us to do that.

Commissioner Mattison asked Mr. Turpen if he was satisfied that they were all speaking the same language in terms of value and quid pro quo in terms of cash and alternate facilities when the time comes.

Mr. Turpen responded that he received the language yesterday afternoon and wanted to take a look at it but on the surface it appears that it would be responsive to our needs. United and the Airport, and Pan Am and the Airport have been in negotiations for some time with respect to two long term facilities issues. He fully expected those to continue outside and beyond this activity. United has some further facilities needs which were suspended until staff could evaluate the impact and extent of the new agreement between Pan Am and United. Having done so, they can move ahead if all appears in writing as has been represented.

Commissioner Mattison asked if there was a targeted action date.

Mr. Turpen responded that it is no later than two weeks from today, depending on timing and schedules. Staff will return to the Commission with a request for approval of assignment with the standard boilerplate types of conditions which would attend this type of transfer. He said that depending on what happens with the Board of Supervisors staff might ask for an expedited approval and a short special meeting. The December 18 meeting would then be cancelled. He has asked staff to take a look at the Board meeting schedule for the holidays in order to avoid a protracted delay.

Commissioner Bernstein asked what the minuses were in this deal.

Mr. Turpen responded that from the Airport's standpoint Pan Am will continue to operate those domestic flights they currently operate, with the possibility that they might add flights at SFO. United will continue to operate the international route currently operated by Pan Am. Pan Am will be accommodated on the facilities at SFO that they have traditionally held. He said that this is really a question of a transfer of title and assets.

Commissioner Murphy said that the only down side that he can see is that our 400 pound gorilla at the Airport is becoming a 450 pound gorilla. He wanted to make sure that there were no deals or arrangements on 4, 5 and 6 and that it was still an open issue.

Mr. Turpen said that there were none.

Commissioner Murphy assumed that negotiations were proceeding for the lease that expires in 1993.

Mr. Turpen said that that was correct.

Mr. Street said that there was no question that he and the Director were talking the same language. He said that it was decided to split this piece of the Pan Am/United acquisition off so that when it returns to the Commission on the 18th for resolution it will speak only to this piece. We will not have wound up 4,5 and 6 or the long term Plot 1 transactions.

Mr. Turpen said that he suspended and withdrew all outstanding offers on longer term issues when this first surfaced because he was uncertain as to the implications and magnitude of the agreement.

Commissioner Duvall assumed that United was talking in terms of stepping into the full measure of obligation that Pan Am currently holds towards the Airport under their leases.

Mr. Turpen said that that was correct.

Mr. Street agreed.

Mr. Peter Dugre, Managing Director of Pan Am's Corporate Real Estate Department, endorsed and seconded the comments made by both Mr. Street and Mr. Turpen. He added that the purpose of the transaction is to achieve a result that will enable both carriers to be stronger as they go forward into the 1990s. He said that the fuel crisis and the recession have deeply worsened the profit picture for the airlines. This transaction will enable both carriers to combine their strengths in marketing, facilities and routes and hopefully produce a better result for the workers at the airlines and the communities which they serve. In San Francisco, Pan Am will only drop its polar flight, which United will pick up, and will keep its remaining flights. United has accommodated Pan Am for the near term and intermediate term up to the time the master plan comes in and new decisions will have to be made by everyone. He said that overall, the transaction was a good one from both the community's standpoint and the companies and employees involved.

Mr. Marv Griswold, principle officer of Teamsters Local 2707, representing Pan Am employees in clerical, passenger services, air freight and stock clerk functions at SFO, said that San Francisco-based Pan Am employees have asked him to convey to their number one concern regarding this transaction, namely, the preservation of jobs. Many of these employees have been employed by Pan Am in San Francisco for many years and have roots in this area. They are seeking to maintain those roots.

Mr. Griswold pointed out that included in the transfer of the London facilities is the condition that no London-based Pan Am employee will have his or her wages or benefits reduced as a result of this transaction. They are seeking the same consideration for San Francisco-based employees and would like it stipulated in the transaction.

Commissioner Duvall asked if he has had this discussion with United and Pan Am.

Mr. Griswold responded that they have not.

Commissioner Goosby asked if they represented any United employees.

Mr. Griswold responded that United employees in these groups are not represented at this time however a representation election is currently in progress at United.

Commissioner Bernstein asked if there has been any negotiation or indication of what the situation will be after the sale.

Mr. Griswold responded that they have not yet received any specifics. The Department of Transportation has asked for specific information from the two carriers as to the effect of this transaction on employment.

Commissioner Duvall said that conversations must take place between United and Pan Am before this comes to the Commission. He asked if they have attempted to have discussions.

Mr. Griswold responded that they have met with Pan Am on the total contract negotiations and an agreement has been consummated that provides partial protection. He said that it is his understanding that it is not desirable to tie up the total agreement over this one issue. He said that while some protection has been afforded in terms of severance the total issue has not been addressed.

Commissioner Goosby said that when staff returns with this issue at the next meeting the Airport's legal staff will have determined what jurisdiction, if any, the Commission has over this issue. He said that the Commission does have a policies on market-rate wages and subleasing. The Commission may have to establish new policies addressing these issues or absolving the Commission of any responsibility in these areas.

Commissioner Duvall asked Mr. Turpen if there were steps the Commission could take to facilitate communication between the principle parties. She felt it was clear that the Commission is not in a position to take a position on this issue, although it is of interest.

Mr. Turpen said that he believed that after having met with one of Mr. Griswold's colleagues earlier in the week that conversations and negotiations have been going on at senior levels. Mr. Dugre can probably brief the Commission. As an historical note, he said that the Commission has traditionally taken the position that they will not permit activities which would physically cause an airline not to be able to operate. He said that the Commission as the landlord has always taken a roll in any exchanges when necessary to accommodate and provide for continued operation.

Mr. Dugre assured the Commission that late into the night the documents of the transaction were signed the very last issues being discussed were employees issues ... pilots, flight attendants and ground staff. They felt that all three should get the same treatment.

Mr. Dugre said that they do not see this as a reduction in the level of service being provided to San Francisco, rather a transfer of one route from one company to another. The employees involved will be given every consideration. Pan Am recently laid off employees on October 31, 1990 which was totally unrelated to this transaction.

There are operational issues in the companies which will be driven by factors other than this transaction. As far as the transaction itself is concerned it will not involve a lessening of flights in San Francisco and the people involved in negotiating this transaction ...

both with United and Pan Am ... have been at the very senior levels. The issues have come down to employees and how they will be taken care of. They do not see that any injustice will be done to employees. The factors in London are different from those in San Francisco. Pan Am is totally ceasing operations at Heathrow Airport, where most of its employees are located, and moving to Gatwick. That is not happening in San Francisco ... we are keeping all but one of our flights with no future plans for a decrease in operation.

Commissioner Mattison asked who imposed the condition in London.

Mr. Dugre said that he did not know but felt it may well have been as a result of local laws or other rules and regulations in London with which he is not familiar. He said that there will be continuing discussions with the Pan Am labor people in San Francisco as the transaction develops. He did not believe that United or Pan Am know at this point what net reduction would be necessary, if any at all. He said that he does not know what the conversations have been.

Mr. Dugre said that another consideration is what an absence of this transaction would mean to the workforce at the SFO. He said that one of the aspects of the transaction is an infusion of cash into Pan Am which is of great concern. Absent that what the impact would be on employees must also be considered.

Commissioner Duvall said that there are some conversations that still need to take place.

Commissioner Goosby assumed that they are still going on.

Mr. Dugre said that they are and part of it has to do with the two phased nature of the transaction. The first phase will include the transfer of property. The second phase, which could take as long as three, four or five months due to the recent change in government in Great Britain, to approve the route transactions. The actual transfer of the route may not occur for several months and the issue of decreasing operations will not be faced until that time.

Mr. Turpen said, on a related note, that the Commission received a staff memo on Continental Airlines.

Ms. Angela Gittens, Deputy Director of Business and Finance, explained, as the note indicates, that it is her understanding that Continental Airlines filed for protection under Chapter 11 yesterday. Up until Saturday they had been current in all of their payments however by December 16, based on what has been billed so far, they will owe us \$223,722.

Commissioner Murphy asked if that is what has accrued as of yesterday.

Ms. Gittens responded that that is what has been billed. Of that amount approximately \$160,000 is pre-petition debt.

Commissioner Bernstein asked how far back this bill goes.

Mr. Gittens responded that it is current. It covers the period December 1 through December 16. In addition, \$88,000 has not been billed for electrical services, security services and landing fees and that will be treated as pre-petition debt also. She said that they also have 2 acres of cargo space.

Ms. Gittens reminded the Commission that Continental declared bankruptcy in September, 1983 and that was cleared up approximately two years ago. All of our debt from that bankruptcy has been cleared up without interest.

Commissioner Murphy asked what operations Continental has at SFO.

Ms. Gittens responded that they are still operating their approximately 14 flights a day. They go to Hawaii, Newark, Houston. She pointed out that since Eastern Airlines moved from the North Terminal to the South Terminal they have been utilizing space under permit to Continental. Eastern was in bankruptcy at the time.

* * *

F. POLICY:

Item No. 1 was adopted unanimously.

1. Revised Policy on Bid Deposits and Performance Guarantees

No. 90-0204

Ms. Gittens said that Continental has a total amount of bonding with us of \$408,000 which covers all of the current receivable in the form of a letter of credit.

Ms. Gittens said that this item appears as a result of concerns of the Commission and the small business community. Staff has been talking to banks, small businesses and enterprise owners and she believes staff has come up with a reasonable compromise.

Commissioner Mattison asked Ms. Gittens if she knew what conditions have to be satisfied in calling on Continental's instrument.

Ms. Gittens responded that she could not answer that specifically.

Commissioner Mattison suggested looking into it to see if something should be accelerated.

Commissioner Duvall asked what the procedural issue was for an airline filing Chapter 11 with respect to obligations they incur post petition.

Commissioner Murphy responded that they must pay in the ordinary course of business. If they don't, it's an expensive administration claim in the bankruptcy case and gets paid ahead of all unsecured claims and behind secured claims. Under Federal law the Chapter 11 debtor is supposed to operate pursuant to local law and regulations and must pay its bills and taxes. He said that post petition amounts may not be brought current and it gets fairly complicated in terms of time within which you have to make a decision whether to assume or reject a lease. He said that the pre-petition amount, except for the letter of credit, is frozen. Some portion of the post petition amount may sit around for a while as well. The letter of credit is an independent obligation of the issuing bank and can be realized upon. That is a significant distinction in what is being done here in putting up CDs, certified checks, cashiers checks, money orders, etc. A CD or anything that is ostensibly the property of the obligor who has now become a Chapter 11 debtor becomes the property of the estate and there is an automatic stay that would stop us from having recourse from that type of property. A CD or certified check looks just as good as a letter of credit but in your ability to realize upon it in the event of a bankruptcy, it's not as good. There is also a very modest risk that it would be considered cash collateral and the court could permit the debtor to use that cash over our objection as long as we were provided adequate protection. Adequate protection is an elusive term in the mind of the bankruptcy judge based on the circumstances and needs of the case.

Commissioner Duvall said that it does seem like a reasonable risk for us to take given the fact that it's \$50,000 towards the facilitation of a small business.

Commissioner Murphy responded that he wasn't offering an argument against it, he just wanted the distinction understood. He said that because of the amount and the type of people we are dealing with and the difficulty in obtaining small transaction letters of credit it is still a sensible thing to do. He said that when small businesses go under they usually aren't trying to reorganize.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 and Items 4 through 6 were adopted unanimously. Item No. 3 was put.

2. Authorization to Receive Bids for One Additional Automobile Rental Operator

No. 90-0205

Resolution authorizing bid for one additional on-Airport Automobile Rental Operator "Counter Space Only."

Mr. Turpen said that there are currently five rent-a-car companies at SFO. This item provides for a sixth company with counter space only.

Commissioner Goosby asked if the new building would accommodate six companies.

Mr. Turpen responded that there will be a total of six counters in the new terminal, however, at this point there is no physical space to accommodate vehicle parking.

Commissioner Goosby assumed that the sixth company would ultimately be on a par with the other five when the new terminal is completed.

Mr. Turpen said that that is correct.

Commissioner Goosby asked what the rationale was for opting for just one other company.

Mr. Turpen responded that the counter space in the terminals will accommodate only one additional company.

Mr. Turpen said that some time ago there were six companies. The number subsequently went down to five. There was some indication of interest in a sixth some time later. It was bid twice and twice it failed to materialize. He said that he was encouraged by the number of people who attended the meeting.

Item no. 3 was put over.

3. Termination of Entertainment Center/Video Game Room Lease

Resolution approving termination of the Entertainment Center/Video Game Room Lease in North Terminal Building S.H.A., Inc. as lessee.

4. County of San Mateo - Home Insulation Funding FY 91 (\$162,000)

No. 90-0206

Authorizing the expenditure of funds by the Director for home insulation of approximately 45 residences in the Country Club Park Area, County of San Mateo. Expenditure of approximately \$162,000 is limited to the following:

- a. Twenty percent (20%) of the building insulation costs for each unit.
- b. Subject to the granting of a Noise Easement to the City & County of San Francisco for each unit insulated.

Mr. Turpen said that this is a continuation of the Airport's long-standing program. There are approximately 700 homes in the program, 250 to 300 of which have been insulated. Three schools have been insulated as well. He explained that SFO was the first airport in the country to qualify under Federal law for a special Federal noise regulation. This allowed 80 percent of noise abatement projects to come from the Federal Government directly to communities. The Airport agreed to put up the additional 20 percent provided we received an aviation easement in exchange for our contribution. The program has been very effective.

5. Award of Contract No. 2242:
Drainage Pump Station's Pile Drainage

No. 90-0207

Awarding of Contract No. 2242 to DRFML Divers, J.V. in the amount of \$183,754.

6. Award of Contract No. 1985:
Plenum Improvements, International Terminal

No. 90-0208

Resolution awarding Contract No. 1985 to Nibbi Lowe Construction, Joint Venture, in the amount of \$2,223,895

Mr. Turpen said that this project goes back to pre-October 17, 1989. There was a mild earthquake about a year earlier during which time some ceiling tiles in the International Terminal were lost. In taking a look at the whole set up a project was submitted to restructure the way the ceiling was put up. In addition there were a number of cat walks and some degree of corrosion of some of the bolts. Since the time of the October earthquake a billowed tarp has been in place as a protection to ensure against injury from falling objects.

Commissioner Goosby asked what caused there to be so much water damage in the terminal.

Mr. Turpen responded that part of it was the sprinkler system and the way the tiles were set up.

Commissioner Duvall asked what the human resource status of the joint venture.

Mr. Dennis Bouey, Deputy Director, Facilities Operations & Maintenance, responded that the Human Rights Commission has approved

the contract award. With regard to the additional five percent, the investigation is still going on. Mr. Bouey added that Nibbi Lowe has done approximately eight joint ventures previous to this in the City and they have been certified each time.

Mr. Turpen added that the Airport has received a new form for categorizing minority/local/small/women's business participation. He felt it was far more realistic and not so narrowly drawn. It will give the Mayor, the Commission and the City a very realistic picture of total minority commitment as opposed to that narrow portion of persons who live in the City only. He said that in conjunction with the Mayor's Office and a number of department heads a more extensive form has been developed.

Commissioner Goosby asked for a copy of the completed form.

Mr. Turpen said that the first form will cover of last fiscal year. The next submission will be quarterly. He said that the old form was abbreviated and was due monthly. That was difficult. He said that he was very optimistic. It will identify areas where we have succeeded as well as areas that need attention.

Commissioner Goosby noted that the three contracts awarded today were to joint ventures.

Commissioner Goosby asked Mr. Bouey to what he attributed the attempts by the contractor to join venture with minority forms.

Mr. Bouey responded that he believed it was due to staff's efforts and encouragements to subcontract. There is also the realization that bids will be close and it is smart business to joint venture.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Items 7 through 9 were adopted unanimously.

7. Resolution Amending the Airport's Rules and Regulations Pertaining to Taxicabs

No. 90-0209

Recommendation to adopt the amendments and additions to Airport's Rules and Regulations and Fine Schedule heard by the Airports Commission at its meeting of November 20, 1990.

8. In-Transit Lounge Fee

No. 90-0210

Resolution approving the fee for the use of the in-transit lounge.

9. Resolution Ratifying Personnel Actions

No. 90-0211

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

J. NEW BUSINESS:

There was no discussion by the Commission.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

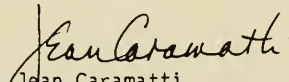
L. CLOSED SESSION:

The Airports Commission will hold a closed session pursuant to Government Code Section 54956.9(a) for the purpose of conferring with its legal counsel regarding the following pending litigation: Lamont Foster v CCSF, et al; San Mateo Superior Court No. 332-477.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 AM to go into closed session.


Jean Caramatti
Commission Secretary

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2/11/90

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

DECEMBER 11, 1990

ART AGNOS, MAYOR COMMISSIONERS

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President

DR. Z. L. GOOSBY

Vice President

SHARON B. DUVALL

PATRICK A. MURPHY

J. STANLEY MATTISON

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

December 11, 1990
Special meeting

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Minutes
of the
Airports Commission Meeting

December 11, 1990
Special Meeting

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 8:07 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

| | |
|----------|---|
| Present: | Z. L. Goosby, Vice President Sharon B. Duvall J. Stanley Mattison |
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| | |
|--------|--|
| Absent | Morris Bernstein, President Patrick A. Murphy |
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* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously. Items 1 through 3 were called together.

1. Assignment of Pan American World Airways, Inc. Exclusive Use Space in International Terminal and Subleases of Plots I and IC to United Air Lines, Inc.

No. 90-0213

2. Lease Modification No. 2 - Pan American World Airways Lease and Use Agreement No. 82-0121 - Deletes 20,677 Square Feet of Space in International Terminal

No. 90-0214

3. Lease Modification No. 9 - United Air Lines Lease and Use Agreement No. 82-0126 - Adds 20,677 Square Feet of Former Pan American World Airways Space to United Air Lines

No. 90-0215

Mr. Lou Turpen, Airport Director, explained that these three items pertain to Pan Am's leasehold at the Airport to United Air Lines.

Ms. Barbara Christie, Teamsters Union, representing passenger service, cargo and sales agents in the area, said that they are very concerned about the employment situation with this transfer. She said that facilities are there to accommodate employees but their concern is that United is not willing to pick up surplus employees into their operation. They felt that the transfer of the leasehold should be conditioned on that.

Commissioner Goosby asked how many surplus employees would be involved.

Ms. Christie responded that the number was as high as 120 at one time but has dropped down to 32 because of the planned operation.

Mr. Turpen said that it is the Commission's policy to ensure, as the landlord, that no one is disenfranchised on the basis of loss of space. The Airport has attempted and successfully achieved that result in conditional statements. In effect, United has agreed to provide Pan Am the space it needs in the terminal and in the remote area to conduct its operations and the operations of those functions they currently handle for other carriers. Beyond that, the issue of guaranteed employment is part of the Federal package and is not within the Commission's tradition to address.

Mr. Don Garibaldi, Airports General Counsel, added that there are Federal laws that regulate employee rights and seniority benefits in situations such as this. There is nothing the Commission can do to change that.

Commissioner Goosby said that pension rights are protected.

Ms. Christie responded that this is not a railroad pension policy, it's a contractual pension. The pensions are guaranteed by the PUDC. The traditional labor protected provisions the DOT imposed on acquisitions and mergers prior to deregulation have rarely been imposed since deregulation. They have had massive losses of employment, especially in this senior base area where the employees all have over 20 years of service. She said that a year or two after Pan Am sold its Pacific division it closed its reservation office and laid off 200-300 people. She said that they are losing ground and it is a very serious concern.

Ms. Christie said that the Department of Transportation says that labor protected provisions should be negotiated in the contract. They try to do that but there are ways of abrogating them when there is a merger or acquisition. At other times they simply refuse to put them into the contract as it would impede a sale.

Commissioner Goosby asked Ms. Christie if the union had discussed this with either Pan Am or United.

Ms. Christie responded that they have.

Commissioner Goosby asked if any conclusions were reached from those discussions.

Ms. Christie responded that United offered an expedited hiring preference. She explained that a \$15.00 an hour employee would be hired at \$5.65 an hour, and usually without health and welfare.

Mr. Turpen explained that one of the problems is that unlike the Pacific transfer that involved a significant portion of business, this transfer will increase United's schedule by only one flight a day out of their current 130 flights a day. This will not make a significant change in United's base which would cause them to seek additional resources.

Commissioner Mattison said that he was certain that the entire Commission would agree to go on record to support these employees but he felt it would be difficult for the Commission to try to dictate employment policy and impose conditions as a landlord to a tenant. The Commission can deal with issues of discrimination and enforcement of federal and city mandated guidelines.

Commissioner Goosby doubted that the Airport or the Commission had the legal right to make those types of demands, although the Commission is sympathetic to the problem.

Mr. Jerry Copelan, Director of Property and Facilities for Qantas, agreed that this a valid commercial transaction and it is not their intent to hold it up. However, flight activity has grown dramatically since the International Terminal opened in 1983 and at certain periods of time gate availability in the terminal is a serious matter in terms of passenger flow and aircraft waiting on the tarmac. He has spoken with some of the other carriers informally and expressed on their behalf (also informally) the shared view of the Commission that the terminal is a common use facility and they hoped that it will continue to be operated for the betterment of all the carriers and provide some kind of schedule abilities.

Mr. Turpen said that one of the conditions set forth is that United continue to recognize the common use character of the designated joint use areas of the International Terminal and shall take no action to obstruct other International Terminal carriers from utilizing such space.

Mr. Turpen said that this was the first major common use facility in the United States when it opened in 1983. Part of the deal with the airline community is that the Airport allow an airline scheduling committee to schedule the facility until such time as they cannot coexist peacefully and amicably. At that time the Airport would step in and dictate what schedules based on a series of priorities. He said that in the last year and a half the Airport has had to enforce some priorities and the scheduling in the terminal because of increased access at certain times of the day.

4. Airport Public Automobile Parking Facilities Operating Agreement - Certification of Eligible Bidders and Authorization to Bid

No. 90-0216

Ms. Angela Gittens, Deputy Director of Business and Finance, explained that this item ratifies staff's list of qualified bidders. A pool of three people, two of which were Airport employees, reviewed the qualifications of applicant bidders. She said that there has been a bone of contention regarding the qualifications of one of the bidders.

Mr. Art Riddle, General Manager of Airport Parking Management, the present operator of the garage, raised an objection to Pansini Corporation, doing business as The Parking Place, being listed in the pool of qualified bidders. He said that the instructions to

potential bidders clearly stated that the bidder shall have a minimum of two years experience operating a fully on-line computerized control system, with readable license inventory capabilities. The instructions also required that the potential bidder have a facility with at least 65 employees. He said that according to their information and their experience with the type of equipment Pansini Corporation uses, they do not believe that Pansini's equipment is fully on line or that it has the same license capability that their computerized system has at the Airport. Nor does he believe that the Pansini Corporation has one facility utilizing 65 employees.

Mr. Riddle requested that the Commission direct Airport staff to review the documentation submitted by Pansini and look for further verification to ensure that Pansini meets these qualifications.

Mr. Neil Cunningham, Executive Vice President of Pansini Corporation, said that 60 employees are required, not 65, and one of their facilities has 68 employees. That information has been verified by the committee through payroll records. As for the on-line computer system, the statement specifically says, "Two years experience operating a computerized parking control system that is on-line and fully readable with license plate inventory capabilities." He said that they have about 40 systems in place, some of which have been in place for nine years, and they all have license plate inventory capabilities. They have chosen not to use the license plate inventory capability because of the added cost and in most cases it is not necessary for the operation. In some locations they use a license plate inventory system on a separate computer system.

Mr. Cunningham said that the key issue is whether the companies involved are qualified to operate a state of the art computerized system. The system currently in place at the Airport is not necessarily state of the art and Pansini's systems far exceed the capabilities of the one currently in use. He said that the license capability feature is to prevent people from parking two weeks, reporting a lost ticket and paying for only one day. He said that the license capability feature is necessary at the Airport because of the high volume of overnight parking. A fully on-line system reads the license plate upon entering and exiting the garage but there have been problems and that has not been installed. Instead, every night the operator reads the license plates of every vehicle that is entered into the computer. When the car exits, the license plate is entered into the computer and determines how long that vehicle has been in the garage. He said that although their system is capable of doing the same thing, they do it separately as well. The difference is that it is not specifically within the automatic fee calculating system.

Mr. Cunningham said that the term on-line means that you have a master CPU located somewhere other than where your terminals are and is connected directly to those terminals. The system currently in place at the Airport is on-site. Pansini has 40 systems that do exactly that. They have gone a step further with their systems where from their home office they can directly access their operations in the South Bay, Hawaii and Nevada. They can monitor almost anything as if they were actually on-site. He said that they are more than qualified to operate a computerized on-line system.

Ms. Gittens said that if the Commission feels that more verification is necessary this item can be put over.

Commissioner Goosby said that if staff is satisfied with the checking that has been done there is no reason for doubt.

Commissioner Duvall asked Ms. Gittens if she concurred with what was just presented.

Ms. Gittens responded that she did concur.

* * *

E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

5. Award of Contract No. 1697A - Drainage of Station No. 2 Pump Replacement to D.W. Nicholson Corporation - \$328,000.

No. 0217

6. Bid Call - Contract No. 2202 - Sludge Beds at Water Quality Control Plant

No. 90-0218

7. Rental Credit for TWA

No. 90-0219

* * *

F. NEW BUSINESS:

There was no discussion by the Commission.

* * *

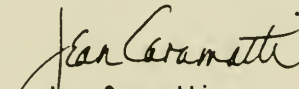
G. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

H. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 8:27 AM.


Jean Caramatti
Commission Secretary

